# DOMINION OF CANADA

OFFICIAL REPORT

OF

# DEBATES
# HOUSE OF COMMONS

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FOURTH SESSION—SIXTEENTH PARLIAMENT

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20-21 GEORGE V, 1930

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## VOLUME III, 1930

COMPRISING THE PERIOD FROM THE TWELFTH DAY OF MAY, 1930, TO THE THIRTIETH DAY OF MAY, 1930, INCLUSIVE

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OTTAWA
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1930

CANADA

# House of Commons Debates

OFFICIAL REPORT

## Monday, May 12, 1930.

The house met at three o'clock.

### RAILWAYS, CANALS AND TELEGRAPH LINES

Fourth report of the select standing committee on railways, canals, and telegraph lines—Mr. Cahill.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### CANADIAN NATIONAL STEAMSHIPS

CALLS AT FOREIGN PORTS

Mr. MacLAREN:

1. Do the Canadian National steamships running between Canadian and Australian ports call at foreign ports, either on the outgoing or incoming voyages?
2. Have ss. "Canadian Transporter," "Canadian Leader," "Canadian Commander," "Canadian Conqueror," "Canadian Highlander," "Canadian Scottish," and "Canadian Victor," on homecoming voyages from Australia, discharged cargoes at Boston, Massachusetts, during the months of January, February and March, 1930?
3. If so, is this a settled arrangement?

Mr. CRERAR:

1. Never on southbound voyages. Calls are made at foreign ports on northbound voyages if cargo offers and the ships cannot be filled for Canadian ports.
2. Yes.
3. No.

LIGHTKEEPER AT RIVIERE A MARTE

Mr. MARCIL:

1. What is the name of the lightkeeper at Riviere a Marte?
2. What is his salary?
3. Under what circumstances was he appointed?
4. To what pension is he entitled?

Mr. CARDIN:

1. Joseph Litalien.
2. $2,040 per annum, out of which salary he is required to provide for the services of an assistant. He receives also $50 a year as signal agent.
3. The appointment was made by order in council, dated 16th March, 1912, P.C. 21/609, following the dismissal of previous incumbent.
4. If Mr. Litalien retired now on the ground of ill health, he would be entitled to an annual superannuation allowance of approximately $670. If he resigned or was dismissed he would not be entitled to any allowance.

SCALLOP FISHING—ALBERTON, P.E.I.

Mr. MacDONALD (Kings):

1. Did the government buy a boat in connection with the scallop fishing at Alberton, Prince Edward Island?
2. If so, who was the owner of this boat?
3. If not, was a boat rented from any person in Alberton?
4. What rent or hire was paid for the boat, and to whom?
5. How many of a crew were on this boat?
6. What are the names, addresses and salaries of the crew?
7. How many scallop beds were found or located?
8. Where are the beds located?
9. Where is the boat which the government bought or rented, at the present time?

Mr. CARDIN:

1 and 2. No.

3. Yes.

4. A boat was chartered from Howard Clark of Alberton, at rate of $14 per day, charterer to furnish engineer. Payment was not made for Sundays or legal holidays on which boat was not in use.

5. Two in addition to engineer who was employed by charterer.

6. Seymour Young, Alberton, captain and observer, $7.50 per day, he to find his own board. Morris Perry, Alberton, deckhand, $100 per month, he to find his own board. Engineer employed by charterer and name unknown.

7 and 8. Nine scallop producing areas were located off coast of Prince Edward Island as follows:

1. Off the north end of P.E.I. on the east side between Cape Kildare and North Point.
2. Off the north end of P.E.I. on the west side between south of Cape Gage and North Point.
3. Off the north coast of P.E.I. between Cape Kildare and Cape Tyron.
4. On the north coast of P.E.I. at the entrance to Malpeque harbour.
5. Charlottetown harbour.
6. Off the south coast of P.E.I. across the entrance to Hillsborough bay.

7. Off the south coast of P.E.I. from north west of Bell Point to south west of South Point.

8. Off the south coast of P.E.I. between Little Sands and White Sands.

9. Off the east coast of P.E.I. from south of Cape Bear to south of Rollo Bay.

9. Not known.

OSTREA I

Mr. ERNST:

1. Has the Lunenburg Foundry Ltd. been awarded the contract for the construction of a scallop dragger or oyster dredge named "Ostrea I"?

2. If so, what is the contract price?

3. Who is constructing the hull of said boat?

4. What motive power is being supplied?

5. What portion of the contract price relates to the hull and what portion to the cost of motive power and installation hereof?

Mr. CARDIN:

Questions 1 to 4 covered in answers to question by Mr. Ernst at page 1401 of Hansard No. 34.

5. No information. Contract price included. cost of engine installed.

## UNOPPOSED MOTIONS FOR PAPERS

HENRY C. LEWIS

Mr. ERNST:

For a copy of all letters, correspondence, telegrams and other documents of whatsoever kind, relating to the appointment of Henry C. Lewis, as supervisor of fisheries, district number 3, province of Nova Scotia.

DREDGE OSTREA II

Mr. ERNST:

For a copy of all reports made by one, Captain McLeod, and/or any person or persons, respecting the oyster dredge Ostrea II.

EXPORT DUTY ON PULPWOOD

Mr. GRIMMER (for Mr. Arthurs):

For a copy of all letters, or other communications or recommendations regarding any proposal for an export duty on pulpwood or for the prohibition of such export.

## PRIVATE BILLS

THOMAS BERNARD BOURKE

Mr. R. H. JENKINS (Queens, for Mr. Jacobs) moved that the house go into committee to consider Bill No. 50, respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Section 1 agreed to.

[Mr. Cardin.]

On the preamble:

Mr. BENNETT: Has this bill been dealt with by the commissioner of patents, and has he been satisfied that no vested interests are affected?

The CHAIRMAN: It has been before the select standing committee.

Mr. BENNETT: The question is whether or not the commissioner of patents has gone over the bill carefully and made a report as to the effect upon existing rights of patentees. That always is the important question in these cases, and usually the minister makes a statement in that regard.

The CHAIRMAN: Perhaps the bill had better stand.

Bill stands.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 54, to incorporate Pine Hill Divinity Hall.—Mr. Black (Halifax).

Bill No. 73, for the relief of Herbert Vaughan. —Mr. Lawson.

Bill No. 77, for the relief of Walter Joseph David Penly.—Mr. Lawson.

Bill No. 97, for the relief of Margaret Piton. —Mr. Lawson.

Bill No. 107, for the relief of Harry Jackson Carr.—Mr. Lawson.

Bill No. 109, for the relief of Margaret Malvina Cole.—Mr. Lawson.

Bill No. 110, for the relief of Quartus Bliss Henderson.—Mr. Lawson.

Bill No. 114, for the relief of Mildred Alma McCallum.—Mr. Lawson.

Bill No. 116, for the relief of Mabel Monk. —Mr. Lawson.

Bill No. 117, for the relief of Harry Edward Elvidge.—Mr. Tummon.

Bill No. 119, for the relief of Emily Anderson.—Mr. Bell (St. Antoine).

Bill No. 120, for the relief of Helen Marie Ferguson.—Mr. Hubbs.

ST. CLAIR TRANSIT COMPANY

The house in committee on Bill No. 121, respecting the St. Clair Transit company—Mr. Gray—Mr. Johnston in the chair.

Sections 1 to 4 inclusive agreed to.

On section 5—Commission to be created in the United States before transfer, et cetera.

Mr. ADSHEAD: It is impossible to hear what is being said; what section of this bill are we considering?

The CHAIRMAN: Section 5 of Bill No. 121.

Mr. ADSHEAD: Section 4 refers to order in council No. 1206 of June 7, 1922, and I would like to ask the sponsor if he would not consent to this bill being amended in order to include the terms of Bill No. 49 recently passed through the house.

Mr. GRAY: As I understand it, Bill No. 49 has not yet become law. I have no objection to the amendment suggested but I am instructed by the Solicitor General (Mr. Cannon), that this bill should pass and the change could be made when Bill No. 49 becomes law.

Section agreed to.

Bill reported, read the third time and passed.

SECOND READINGS

Bill No. 61, for the relief of Herbert Chick.—Mr. Black (Yukon).

Bill No. 62, for the relief of Albert Edward Saunders.—Mr. Young (Toronto Northeast).

Bill No. 63, for the relief of Marjorie Gladys Picken.—Mr. Garland (Carleton).

Bill No. 65, for the relief of Raymond Garbutt Little.—Mr. Garland (Carleton).

Bill No. 67, for the relief of Florence Isabel Naughton.—Mr. Stinson.

Bill No. 68, for the relief of Lucy Beryl Marshall.—Mr. Black (Yukon).

Bill No. 76, for the relief of Kathleen Mary Davies.—Mr. Thorson.

On division.

## FOREST FIRES IN NOVA SCOTIA

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): I should like to direct the attention of the government to the fact that forest fires have been raging through the southern part of Nova Scotia, not only in the county of Yarmouth and Shelburne represented by the Minister of National Defence (Mr. Ralston), but even in worse form in the county of Queens and now, I believe, in the county of Lunenburg. In Queens about 150 people have been rendered homeless and desolate. Relief associations have been formed and the provincial government has made contributions. The city of Halifax and some of the towns and municipalities throughout the province have also made substantial contributions. I should like to ask the government to take under consideration the question of affording substantial relief in connection with this situation. There is a precedent for assistance being given because some years ago it was done in the case of Jamaica.

Hon. ERNEST LAPOINTE (Minister of Justice): Unfortunately the Prime Minister is not yet in his seat, but I will call his attention to the matter.



## IMPORTATION OF FRUITS AND VEGETABLES

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I have a question I should like to put to the Minister of Finance, but as he is not in his seat I shall content myself with asking the question of the Minister of National Revenue. I have had several complaints from Winnipeg with reference to the new duties on fruits and vegetables. According to reports I have received, the increases average from 29 per cent to 386 per cent. I should like to know whether these increases which have been put into effect by the Department of National Revenue, are exactly in accordance with the new tariff schedules?

Hon. W. D. EULER (Minister of National Revenue): My attention has also been drawn to an item which appeared, I think, in the Winnipeg Tribune, stating that the department is collecting both specific and ad valorem duties on fruits and vegetables. I would like to say for the information of the house that that is absolutely incorrect. As the house knows, the duties collected are either specific or ad valorem, and that is being carried out now. As regards other statements, we are making investigations, but I think I may assure the house that whatever duty is being collected is being collected under the new schedules.

## CIVIL SERVICE

MINIMUM SALARY OF ONE HUNDRED DOLLARS A MONTH

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I have a telegram from the Amalgamated Civil Servants, Calgary. I should like to ask the government whether they intend this year to put into effect the $100 minimum for civil servants?

Hon. ERNEST LAPOINTE (Minister of Justice): I will bring the matter to the attention of the leader of the government.

## NEW ZEALAND TREATY—CORRESPONDENCE

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): It has been customary to table the correspondence dealing with tariff items and in the particular instance to which I direct attention, namely, the New Zealand treaty which, according to the statement made by the Minister of Finance (Mr. Dunning), is to be abrogated on October 12 next, we should have before us the correspondence. It will expedite the discussions in committee if the

correspondence and the order in council upon which the notice of abrogation are based are laid upon the table at the earliest possible moment. I did not have communication with the Minister of Finance, but I asked my secretary to get in touch with his and the latter said that the matter would have to be dealt with through the Prime Minister. The Prime Minister is not in his seat, but I now ask that notice be taken of the request and that the correspondence be brought down at the earliest possible moment.

Hon. ERNEST LAPOINTE (Minister of Justice): Certainly.

## THE BUDGET

### CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, May 8, consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto of Mr. Bennett, and the amendment to the amendment thereto of Mr. Fansher (Last Mountain).

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, this, I think, is the ninth budget in succession that has been brought down in parliament by ministers of finance acting on behalf of the Liberal party. On nearly every occasion of the introduction of the budget, particularly in the earlier days of the advent of the Liberal party in power in parliament, very severe criticism was directed at the budget proposals of the Minister of Finance. Those introduced by the late Hon. Mr. Fielding covered a period in Canadian history that from an economic standpoint was, to say the least, very difficult, but the budgeting on those occasions brought about the results that were anticipated, and while in the beginning some slight increases in taxation were necessary, despite all the criticism that was offered and the amendments that were moved, the budgeting brought to this country a period of prosperity such as it has seldom witnessed. Mr. Fielding was followed by Mr. Robb and again the same criticism was levelled at Mr. Robb, but I am bound to say, having been a colleague of both, the situation was not as difficult as in the earlier days when this government took office. We all well remember the success of the work of the Hon. Mr. Robb in budgeting for the Canadian people. Despite the strenuous criticism that was offered and the resolutions moved from the opposite side of the house in condemnation of his proposals, no one will deny that Mr. Robb has a record that ministers of finance in any country might well be proud of. He has undoubtedly left a record that it will be difficult for his successors to emulate. Perhaps it may be said with some truth that Mr. Robb was particularly fortunate. I know that our hon. friends opposite will say that he budgeted in days of prosperity and did not have to meet so serious a situation as his predecessors. However that may be, we who were supporters of Mr. Robb and we who supported Mr. Fielding, claim that their budgets were the result of careful thought applied to the tariffs of the country for the very purpose of bringing about that prosperity which resulted. May I say that in no period of Canadian history perhaps did we pass through such difficult times as in 1922? I am not going to deny for a moment that the conditions of those times were largely the result of the great war which had cost us so much in men and in treasure. Nevertheless, that was the situation, and a remedy had to be found. What remedy was applied? As I said before, both Mr. Fielding and Mr. Robb, as many hon. gentlemen who were present when Mr. Robb delivered his budget speech upon that occasion will remember, stated that this country could not go on piling up additions to the capital debt of the country, and so they proposed slight increases in some taxation then existent, and the addition of some new taxation to meet the situation. Year after year, reductions of taxation were made to assist the basic industries of the country, agriculture, mining, lumbering and fishing, until 1926. I do not need to say very much about 1926 because in the forty minutes allowed to me I can only touch the high spots and cannot devote much time to details. In 1926 we found that our policies had brought about, or to say the least had assisted in bringing about, a period of prosperity. The policies that we had adopted in connection with the Canadian National Railways, for instance, were designed to bring about that result, and from that moment on Mr. Robb was able during the next two or three years not to add to the capital debt of the country, but to reduce it by no less a sum than $82,000,000.

I come now to the present budget. With respect to the present Minister of Finance (Mr. Dunning), I think we will all agree that he is a worthy successor of the two finance ministers who preceded him, and I think we may well expect that his record will be quite as brilliant as that of his predecessors, and that his administration will bring about the same happy results as were obtained under

their administrations. The people of Canada believed that the government, through its Minister of Finance, would make provision in this budget for meeting many of the difficulties that it was recognized the country was encountering, because we are passing through a period of world-wide economic deflation.

There is another feature in connection with this budget that I wish to mention. There has been up until lately continued violent opposition to our Prime Minister. It has been stated that the Liberal party lacked the initiative or were too friendly, and some even went to the length of saying too cowardly, to bring down legislation to meet the ever-increasing customs duties imposed by the United States against Canada. But we do not hear that statement made to-day.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): I have not any doubt, Mr. Speaker, that they will continue to talk that way if they feel that there is some party advantage to be gained thereby, but they will not be in a position to prove it, as they thought, so emphatically. Why?

An hon. MEMBER: The death knell of protection.

Mr. STEWART (Edmonton): No longer can the cry be raised that our Prime Minister gives more to the United States than he is willing to give to the mother country. That has been one of the statements of the opposition to which I have continually taken exception and to which I take exception to-day, and I am going to have a word or two to say to my hon. friends opposite in connection with their attitude towards the British preference. Let me say in the first place that this budget is a complete answer to every statement which they have made in that connection. It is more than that. It is no mere lip loyalty on our part. It is not the mere expression of a sentiment. This budget is action, bold and forward action on our part in connection with the British preference. So I say, Mr. Speaker, that our hon. friends opposite can never expect the country to believe their statement that this government headed by the Prime Minister has been more friendly in its attitude in any particular towards the United States than we have always been ready and willing to be towards the mother country.

This budget places on the free list a large and important list of goods that we import from Great Britain. Here again we are following the well-established practice of this government of extending from time to time the British preference. By so doing we hope to increase our trade with the mother country. That, briefly, is what the budget means, Mr. Speaker. It means that we hope to transfer a large volume of trade in goods that we must use in Canada from countries that are unwilling to trade with us to those that are willing and anxious to trade with us. That is the position in a nutshell. It is for the benefit of those countries that have shown their willingness to trade with us by buying the goods that we have to export from this country.

Mr. BLACK (Yukon): You took the duty off hay.

Mr. CHAPLIN: What about wheat?

Mr. STEWART (Edmonton): My hon. friends are very clever. The finance minister made it abundantly clear that he had wiped the duties off a great number of articles, almost one hundred in number—

Mr. SHORT: Hay and cider.

Mr. STEWART (Edmonton): Yes, hay. Why should he not wipe off the duty?

Mr. BENNETT: Who put those duties there?

Mr. STEWART (Edmonton): I am not able to answer that question nor am I concerned about it. The thing was a perfect absurdity and it was fully explained to hon. gentlemen opposite.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): He laughs best who laughs last. The duties on these articles, as on a large number of other items, are wiped out for the simple reason that there is no excuse in having them cumber up the tariff schedules. They never were intended to have any relation to imports, and it was so stated, but hon. gentlemen opposite will persist in making that statement, and I know that no statement of mine will ever stop them. It shows exactly the absurdity of their contention. But there are, and always will be, critics who will say, "There is a joker in this tariff. Of course there is." They will perhaps imagine that they can see the outline of the Ethiopian in the woodpile. My hon. friend from Lincoln (Mr. Chaplin) always sees one in the woodpile. They will say that the predicted imports from Great Britain will not come in, and that the real effect of the change in the tariff on iron and steel products will be a substantial increase in the cost of machinery used in primary production. Of course they will. We are emphatic in saying—and again I

point to the record of Mr. Fielding and Mr. Robb, and perhaps we will point a year or two later to the record of Mr. Dunning—I repeat, we are emphatic in saying that an increased exchange of goods will take place, and the net result will be a lessening of the cost to the consumer. The budget meets the very general desire of the Canadian people that the volume of our business with Great Britain should be enlarged. Hitherto this feeling has been largely sentimental. Quite true. That is the complaint I have had against my friends across the way; they are always strong in sentiment but lacking in action. But now plainly the value to us of the opening of the British market is being appreciated—these are some of the points I want to get across to my hon. friends opposite—the value to us of the opening of the British market, I say, is being appreciated by the Canadian people as never before. But there having been a partial loss of market, there is apprehension that further losses may be suffered. The desirability of strengthening our position in the British market by offsetting our sales with purchase is now pretty evident to Canadians, and Mr. Dunning's effort to facilitate this exchange of commodities will be strongly supported by public opinion.

An hon. MEMBER: What are you reading from?

Mr. STEWART (Edmonton): I am reading from a few notes I set down that I thought would be intensely interesting to our good friends across the way. Ours is not a lip loyalty, nor is it a mere expression of sentiment; it is a straightforward and direct offer to Great Britain without any strings upon it; it is a direct offer to Great Britain to transfer a large volume of our imports from other countries to our kith and kin.

Mr. QUINN: Do you call that flag-flapping?

Mr. STEWART (Edmonton): I am afraid the hon. gentleman will not be able to wave the Union Jack this time and talk about loyalty. That had always been the recourse of a few hon. gentlemen across the floor of the house, and I think it is time it was stopped. There has never been any attempt on our part to preach sentiment, to talk about loyalty; this government on every occasion have given evidence by their works of what they believe. It makes me tired to hear gentlemen across the way talking of wrapping the flag about themselves. I have been in politics for forty years, and that is one of the things in my experience that has frequently been resorted to by hon. gentlemen across the floor. Not only that, but they have decried the loyalty of the leader of this government and are still seeking to arouse prejudice against him. I say it is time that that sort of thing came to an end. This budget, so far as this government are concerned, is a complete answer as to where we stand in this connection with respect to the British preference.

The basic principle running throughout the changes in the budget is the transference of a large volume of imports now coming in from the United States to Great Britain, thereby short circuiting our exchange adjustments, which in the past have had to be transferred from Great Britain and the continent to the United States to pay for our excess imports from that country. Our next thought was the consumer. We sought to avoid increasing costs to him by an extension of the British preference.

I now propose to deal with some of the statements made by the hon. leader of the opposition. His first statement was that we had increased taxation and thereby added to the burdens of the Canadian people. That, to say the least, is very misleading.

Mr. BENNETT: It is true.

Mr. STEWART (Edmonton): He set out the amounts of taxation from 1923 to 1930 and stated we had increased the burden of taxation which we derived from the business tax, amounting in 1923 to $335,000,000 and in 1929 to $378,000,000. May I simply say, in passing, that I do not intend to go into details to prove my contention to hon. gentlemen opposite. But if we have a larger volume of business on which we raise our general taxation, surely no one is going to be hurt because the amount collected has increased. Individually it does not mean any greater burden. But may I say to the hon. gentleman that he does not take into consideration that not only did we collect more money, but we collected it in the face of reduced taxation, and the general business of the country was so buoyant that even after the reduction of the income tax and general taxation we derived more revenue.

Mr. CHAPLIN: What about the sales tax?

Mr. STEWART (Edmonton): I am going to speak about that in a moment. I hope to satisfy my hon. friend on the sales tax. I am going to repeat to-day what I have said on former occasions with respect to the sales tax. I have no quarrel with his statement that the $147,000,000 which he sets out in some detail in his speech the other day should be added—and is added—to the general revenues of the country. He states—and I want to

make it clear that it is his statement—that we are not entitled to all the credit that we are seeking to take for the reduction of the public debt by $257,000,000. I say to the hon. gentleman—and I think he says so himself—that there is nothing new about the $147,000,000 that he referred to. It has always been the same, there is no increase in it, it was the same in 1923 as it is in 1929; therefore it cannot be very well taken into account except that it swells the general sum of taxation. Let me be clear about this. The general taxation, or the turnover tax on business, although it was reduced, produced more money. How? By the increased volume of business. But it did more. It reduced the general taxation per capita. That is what happened, and that is what my hon. friend did not make clear to the Canadian people when he was making that statement. It is not an increase of taxation upon the individual, but rather the reverse. That is the real situation with respect to the statement of my hon. friend that this government increased the general taxation.

Let me deal for a moment with the sales tax. My hon. friend pointed out that in 1923 this government found the sales tax at 3 per cent. But how did we find it applied? It was applied upon the general sales throughout the country. Every hon. member will recall the agitation that was in effect throughout the country with respect to the collection of this tax. Every retailer had to make a return. It was a most exasperating tax. Not only that, but may I tell my hon. friend from Lincoln—who no doubt will remember this—that that tax was pyramided, sometimes as much as 8 per cent, upon commodities purchased by the consumers of this country.

Mr. McGIBBON: So was the 6 per cent pyramided.

Mr. STEWART (Edmonton): I have no recollection that the 6 per cent tax was pyramided. The 6 per cent tax was collected, and was designed to be collected, either at the entry of the goods or when they were manufactured. Some complaint was made that the tax was passed on to the consumers on the various sales.

Mr. McGIBBON: Pyramided as it went.

Mr. STEWART (Edmonton): Only to the extent of the first tax. If my hon. friend means that they were pyramided because there were subsequent sales made plus taxes, yes; I certainly agree as to that; but that is not pyramiding. That is not collecting a tax every time a sale takes place. Take a suit of clothes, for example.

An hon. MEMBER: Somebody else collected a tax every time a sale took place.

Mr. STEWART (Edmonton): My hon. friends can make nothing of that. There is no comparison whatever with the pyramiding of taxes of which I am complaining. The tax was one collected on every transaction. The turnover was derived on every transaction from the date of the entry of the cloth that went to make a suit of clothes, through the wholesalers to the tailors and passed on to the customer; in every one of those transactions a tax was collected. That is what we were complaining about, and that is what I hope my hon. friends will take the precaution to understand when they state that we materially increased the sales tax when we made it 6 per cent. I hope I have made that matter clear, and that we shall not again hear the statement boldly made that we increased the sales tax and that we are not to be credited because of the fact that we increased it from 3 per cent to 6 per cent.

Mr. BENNETT: Did you not increase it to 6 per cent?

Mr. STEWART (Edmonton): Yes.

Mr. CHAPLIN: What are the amounts collected each year for sales tax?

Mr. STEWART (Edmonton): If my hon. friend will consult Hansard he will find a statement made by my hon. friend the leader of the opposition (Mr. Bennett).

Mr. BENNETT: As long as my hon. friend admits it was increased to 6 per cent I am satisfied.

Mr. STEWART (Edmonton): I shall now direct my remarks to a few items in the tariff. There is one statement to which I shall refer before I deal with particular items, that is a statement made by my hon. friend the leader of the opposition. I forget the name of the person to whom my hon. friend attributed the statement but he is reported to have stated that so far as the empire is concerned a factory in Canada was as good as a factory in England. I think that statement is correct.

Mr. BENNETT: That is the sense of the statement which I made. To be more accurate, I quoted the statement that a woollen factory in Canada is as valuable an asset to the empire as a woollen factory in Yorkshire.

Mr. STEWART (Edmonton): With that statement I have no particular quarrel. I believe that a free interchange of commodities or as near as possible a free interchange within

the empire would be very desirable. I know there are people who do not believe in such a policy. I do not believe that my hon. friends opposite believe in it, because my hon. friend the leader of the opposition made the statement a short time ago in this house that we would have to exercise due care and that we would have to see whether or not our business interests were going to be affected. So far as I am aware we have not bargained to any extent in that particular respect, but I wish to reiterate that as far as our preference to Great Britain is concerned there is no bargaining in connection with it. We have offered it.

Mr. BENNETT: The preference is not limited to Great Britain.

Mr. STEWART (Edmonton): It is limited to Great Britain and her colonies.

Mr. BENNETT: No, it is the British Empire to which it is limited.

Mr. STEWART (Edmonton): Oh, yes, I beg your pardon; it is the British Empire. I do not expect that the budget has pleased my hon. friend in that respect, and I did not think for one minute that it would please him. The reduction in the British preferential tariff number 270 as against 11 increases and as a result of this budget 589 items in a total of 1,188 are entirely free under the British preferential tariff. Let me say in passing: Wipe off the hay and straw and the hundred items to which my hon. friend has so often referred; throw them into the discard.

Mr. BENNETT: Yes, that is where they belong.

Mr. STEWART (Edmonton): I wish to make it clear that nobody is making the claim that these items were intended to be misleading in any respect.

An hon. MEMBER: Why were they put in?

Mr. STEWART (Edmonton): The Minister of Finance (Mr. Dunning) made it clear to my hon. friend, if he had cared to listen. He said they were placed on the schedule for the purpose of wiping them off altogether. So that I say if you consider the hundred items complained of by my hon. friend you still have a very respectable list remaining. The extensions in the preference made this year alone affect commodities which Canada imported last year to the value of $200,000,000. The matter of iron and steel has constituted a very important subject for discussion in this country. Such tariff increases as are made are, in almost all instances, on those primary forms which are used in manufacturing and they will be absorbed almost entirely by the manufacturers who process the primary forms into secondary products. Thus these increases will benefit the iron and steel industry without laying any burden upon the ultimate consumer.

A great deal has been made of the fact and references have frequently been made to the increases in the iron and steel schedules. It has been stated that such increased prices would in the end increase the price to the consumer. In this connection I shall deal with item 377b:

> Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, valued at not less than 3 cents per pound, when imported by manufacturers of steels for use exclusively in the manufacture of steels, in their own factories, under regulations prescribed by the minister.

And the item before that:

> Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p.

The British preferential rate is $2.50 whereas it was formerly $1.50. May I say that the whole idea is to bring materials to Canada, to produce in Canada the primary products necessary for the manufacture of iron and steel. I wish to point out that this will not mean an increase to the ultimate consumer. Why is that so? Bars and rods are the product of the billets, and the schedule says:

> Bars or rods, of iron or steel, including bilets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined, under regulations prescribed by the minister.

This item was given at $4.25 per ton, and there is no change. So that the rolling mills will have the benefit of importing their iron in the same manner as they have imported it in the past, at the same price, and at the same tariff schedule. There is no increase in this commodity; any increase which may have been placed upon the primary manufacturer is absorbed in the secondary, and it is not passed on to the consumer. A great deal has been said by my hon. friends in connection with the fact that there have been no reductions which would affect the agricultural classes. May I say that I can see a large list of items which have been placed on the free list. For one thing I notice the necessary steel for the manufacture of horseshoe nails and chains. Surely to goodness chains—and logging chains in particular—are used very largely by agriculturists.

Mr. CHAPLIN: There are no logging chains there.

Mr. STEWART (Edmonton): Yes there are.

Mr. CHAPLIN: They are not the size of logging chains.

Mr. STEWART (Edmonton): I have not the number of the item before me, but I make the statement that the chains in question can be used for agricultural purposes.

Mr. CHAPLIN: They could not be used for logging chains; they are not logging chains, because they are too small to be used for that purpose.

Mr. STEWART (Edmonton): Indeed, in spite of increases in duty on these more primary forms there are scores of reductions on the finished products in iron and steel. Reductions in rates under iron and steel are numerous and important. Some of these which will affect the consumer directly or indirectly are: Decrease on structural steel in weights not made in Canada but in which Great Britain can compete; free listing of steel plates in sizes and weights in which Great Britain can compete; reduction under all tariffs on galvanized corrugated sheets used for granaries, culverts, siding, and so on. I suppose my hon. friends will say the farmers do not get any advantage from these reductions. Then there has been an extension of the British preference on wire, springs and saw steels. Will my hon. friends say the farmers get no benefit there?

Mr. CHAPLIN: I absolutely deny that they will get any benefit.

Mr. STEWART (Edmonton): My hon. friend will have a chance to explain his attitude when the proper time comes. I am making the statement now, and my hon. friend can refute it when he makes his speech. That extension of the British preference on wire, springs and saw steels will mean much to the people of this country. There are reductions under all tariffs on tractors and parts which were formerly dutiable. Surely that will mean something to the farmers of this country. My hon. friends do not like this story, and I do not blame them very much. There has been also a free listing under the British preference of all agricultural machinery, including milking machines, pasteurizers, dairy equipment and so on. I am taking the list the leader of the opposition read the other day in some detail, and in connection with which he stated that under some items there were some importations, while under others nothing was imported. I have left out those items under which he said there had been no importations, and this list includes, in addition to what I have mentioned, spraying and other horticultural equipment, potato diggers and planters, incubators and brooders, scythes, sickles, rakes and forks, separators and electric power generators. Material reductions have been made under all tariffs on machinery and equipment for use in printing, and the entire list is made free under the British preferential tariff. Surely that will mean something to the newspaper men of this country and it should mean something to the newspaper readers of Canada also; with our cheaper newsprint and with cheaper machinery for manufacturing newspapers perhaps they will not cost so much in the future.

Then we have reductions under all tariffs on a very wide range of construction machinery such as is used by municipalities and individuals for draining, ditching, road building, excavating and so on. Under the British preference such machinery, formely dutiable, is now free, and this list includes: Concrete and asphalt road machines, cranes; shovels; back fillers; steam and air driven pile hammers and turntables. As I said before, Mr. Speaker, I have taken these articles from the list furnished by my hon. friend the leader of the opposition the other day, and I am giving them as proof that this budget does mean something and indeed means a great deal to all classes of people in this country who in future will be consumers of the articles mentioned in these schedules.

Reductions have been made under all tariffs on machinery for carbonizing lignite coal. This will be very important to the western provinces, and to the eastern provinces as well; in the future this should have a great effect on the development of this industry in Canada. Reductions have been made under all tariffs on machinery for making clay products, which industry now is being developed in western Canada. This will be of great importance to the brick and tile industry; no one will deny that. In addition, reductions under all tariffs and free listing under the British preference have been effected on all unspecified machinery, the importations of which amount to millions of dollars. Some of the machinery affected includes air compressing machinery, cranes and derricks, icing and refrigerating machinery, metal working machinery, pulp and paper mill machinery, power pumps and parts, steam and other shovels, steam boilers, internal combustion engines, steam engines, switches and switch boards, spark plugs and magnetos, rheostats, controllers and motors, fuses and fuse plugs and so on. We have also free listing from Great Britain and reductions under all tariffs on electrical apparatus of a class not made in Canada, including electric light fixtures, electric light bulbs, lamp shades.

gas meters, flashlights, headlights, enamelled hollow ware, plain hollow ware and tinware for shipping milk or cream. I am not going to say very much about tea; there will be no argument about that, but I might mention that there have been reductions under all tariffs on hand or power washing machines, sewing machines, vacuum cleaners, floor polishers and domestic refrigerators. There have been reductions also in the British preference rate on enamelled kitchenware, enamelled bath tubs, lavatory equipment and so on, which Great Britain is equipped to produce. All parts of Canada will benefit by this reduction. Reductions ranging from 7 to 15 cents per pound have been made effective on tea already.

Mr. SHORT: Where do you get the 15 cents?

Mr. STEWART (Edmonton): The large companies advertised in the press that all retailers had received instructions to cut prices immediately, and this reduction became instantly effective throughout Canada. All householders should benefit by the free entry from Great Britain and her colonies of tableware, china and porcelain. This trade runs to about $4,000,000 annually, and the greatly increased spread should divert it almost entirely to Great Britain. Surely this will mean something to the Canadian consumer, and it will mean also an increase in our trade with the mother country.

Western Canada in particular has gone in for the wide development of rural hospitals. The budget puts on the free list, under all tariffs, an extremely wide range of hospital supplies and equipment, much of which formerly entered Canada from the United States at rates ranging from 17½ per cent to 35 per cent. This reduction directly affects the ordinary citizens in every province.

This budget, Mr. Speaker, is not a free trade budget, nor can it be construed to be a protectionist budget.

An hon. MEMBER: What is it?

Mr. STEWART (Edmonton): I know my hon. friends will take a lot of time pointing out what they consider to be weaknesses in the budget, but they will have a hard task ahead of them. Neither can this budget be said to set up a revenue tariff. What we are endeavouring to do is to transfer our trade to Great Britain and countries which are willing to trade with us, but realizing the situation as it exists to-day the government, after a most complete investigation by the tariff board, have endeavoured so to adjust the tariff as to give the maximum possible scope to international trade, upon which we know the prosperity of every country rests. It is not designed in the spirit of irrational, extreme, economic nationalism which is rampant to-day throughout the world and with which Canada shows some signs of being affected.

Mr. DEPUTY SPEAKER: The hon. gentleman's time is up.

Mr. STEWART (Edmonton): Just one further word and I am through. I think the Minister of Finance has shown remarkable skill in producing a tariff which comes so near to pleasing all kinds of divergent opinions, which does not seek to exact any substantial sacrifice from any considerable section of the Canadian people and which will be fully appreciated only when the full effects of the changes become apparent.

Hon. J. D. CHAPLIN (Lincoln): Mr. Speaker, I do not intend to follow the remarks of the minister closely; having only forty minutes I have something to say in addition to what he has said already, but I do want to say that I do not understand how we can get a reduction of 15 cents on tea when the duty was only 7 cents and 10 cents. One of the largest tea dealers in Canada advertises reductions of 10 cents and 7 cents per pound, but there is no mention of a reduction of 15 cents. I would like to know how a duty of 7 cents can be magnified into one of 15 cents.

An hon. MEMBER: It is a mystery.

Mr. CHAPLIN: Oh, yes, it is a mystery. I denied the statement of the hon. minister that this budget would bring any trade to Great Britain. He referred especially to saw steel, and he told us that no one could deny that that item being in the British preference would bring trade to Great Britain. I know something about that business. Twenty years or more ago we purchased from Great Britain every pound of saw steel used in this country. For the last twenty years we have not followed that course. Why? In the first place, there are three or four American saw companies who have branch factories in Canada. The steel is manufactured by them in the United States and shipped to these factories. Does it seem reasonable that any one of those companies will buy British steel to manufacture saws in Canada, no matter what the duty may be.

An hon. MEMBER: It would come in at a cheaper rate.

Mr. CHAPLIN: Why did we stop purchasing from Great Britain, especially when the duty was lower on goods imported from

Great Britain than those imported from the United States? Did we do that because of a love for the United States? No, it was because of the necessity to continue in business—the steel had to be purchased at the cheapest price. British preference on saw steel is not going to bring any British steel into Canada. There are other things to be considered besides that of price. There is the closeness to the market which permits the carrying of small stocks. The purchasing of material in the old country necessitates buying twice a year, during the spring and the fall.

Mr. BROWN: Is not the hon. gentleman afraid he is proving too much?

Mr. CHAPLIN: No, I am not. I am telling the facts and the truth about the matter, that is what counts.

Mr. BROWN: And at the same time the hon. member is changing his tune.

Mr. CHAPLIN: I am not changing my tune at all. The hon. minister who just spoke (Mr. Stewart) has changed his tune. That was the same gentleman who a few years ago sounded the death knell of protection. It was the same gentleman who was burying protection; he has resurrected it, he has breathed new life into it and it lives again. The hon. members on the other side of the house are following him. They have turned protectionist. I do not say that they have stolen our policy, what I say is that they have paid us the greatest compliment by following in our footsteps and accepting our advice. If they stole anything they would not know what to do with it when they got it.

An hon. MEMBER: Perhaps the hon. member knows that better himself.

Mr. CHAPLIN: When I first looked over the schedules attached to this budget by the Minister of Finance (Mr. Dunning) the first thing that came to my mind was the French treaty presented to us by the hon. Minister of Justice (Mr. Lapointe). That gentleman returned from France with a treaty which he inflicted upon this country. There was a list of over 250 articles contained in schedule B, but with the exception of two or three items, none of those articles has been manufactured in this country.

Mr. LAPOINTE: My hon. friend should be careful; he was lost once in the bronze powder.

Mr. CHAPLIN: There was only one item in the lot which the hon. gentleman could find to be incorrect. This treaty contained a list of over 200 articles which we were permitted to export to France under special trade conditions, and I repeat, Mr. Speaker, that out of that list there were not half a dozen which we manufactured, and only two or three which we have exported. Out of those two or three articles exported, only one or two have been exported to France. Is it any wonder that I suspect the Minister of Justice of having had something to do with this proposition of the British preference. The schedule contains dozens of articles which Great Britain will never send to us. Why have they been put there? I asked the hon. minister who has just spoken, and he said: what else could we do? The easiest thing would have been to strike them out of the tariff, but they did not do that. They wanted to swell and pad up the budget.

Mr. STEWART (Edmonton): Is my hon. friend suggesting that they should be taken out of the tariff?

Mr. CHAPLIN: There is no reason in the world why that should not have been done.

Mr. STEWART (Edmonton): Hay, for instance?

Mr. CHAPLIN: From England?

Mr. STEWART (Edmonton): But the tariff covers all countries.

Mr. BENNETT: Not the preferential tariff.

Mr. BROWN: They have been asking for an increase for the last two or three years.

Mr. CHAPLIN: I would like to put on record some of the items included in the French treaty. I want to serve notice upon the government and upon the people of Canada that if this party ever comes into power that treaty will be abrogated.

An hon. MEMBER: That may be a long time.

Mr. CHAPLIN: It may be a long time, but I venture this prediction: whether or not we are in power, this government will abandon that treaty because it is no good and never was any good. It is a detriment to the trade of this country. If the Minister of Finance did not receive the assistance of the Minister of Justice in preparing these schedules, he must have thought that it would be a good scheme to try.

Beginning with item 04 of the French treaty, and continuing down that page to item 073, and from item 074 down to item 0247, and then on the following page from item 0248 down to item 0379, one is able to see the variety of items included in this treaty. This list includes a number of names made up of a

number of letters, many of which are unpronounceable. I intend to spell out some of them, but I will not attempt to pronounce them, and I do not think the Minister of Justice could pronounce them. Item 0246 is d-i-e-t-h-y-s-u-l-p-h-o-n-a-d-i-m-e-t-h-y-l-m-e-t-h-a-n-e. I am told that that article is really a sleeping powder. I heard it said the other day that because chloroform was allowed to enter this country free of duty, probably the government has used some of it upon certain of the outside members in order to prevent them from doing anything in regard to this particular tariff. If they do not find the chloroform effective, I would suggest they use this, because it can be brought in by the carload and the Minister of Justice can get it for them.

Mr. YOUNG (Weyburn): Spell another one

Mr. CHAPLIN: I shall be glad to do so. This is one: m-o-n-o-m-e-t-h-y-l-p-a-r-a-m-i-d-o-c-r-e-s-o-l. This is a really good one: t-e-t-r-a-m-e-t-h-y-l-d-i-a-m-i-d-e b-e-n-z-o-p-h-e-n-o-n-e.

Mr. LAPOINTE: I wish my hon. friend would try to pronounce that.

Mr. CHAPLIN: My hon. friend might give me some help in that regard.

Mr. LAPOINTE: I would.

Mr. CHAPLIN: I wish he would pronounce the one that I give him now.

Mr. LAPOINTE: Let the hon. member try it first.

Mr. CHAPLIN: T-e-t-r-a-c-h-l-o-r-o-p-h-t-h-a-l-i-c. I am satisfied for my hon. friend to have a try at pronouncing that. I could give another one that might be easier with only about fifteen letters if the minister thinks he could try to pronounce it.

As I said, there are more than 200 items padded into this list, and as regards not more than one or two did we ship 400 pounds. Just imagine that, and yet we have used more paper in printing this treaty and the customs books with these extra pages than the whole thing is worth!

A protective tariff, if properly and faithfully applied, would have the same effect if administered by a Liberal or a Conservative government. I am willing to admit that. I do not care about anything but the principle; I am not disturbed by the government taking over protection. As I said a moment ago, the very highest compliment is paid to us by their adopting something to which they have been diametrically opposed for ten years. What is worrying me is this: will they give it a fair trial? Are they taking it to seek to destroy it? Is it a game to fool the people? I say a game, because the government have tried more than once to do that kind of fooling. On the other hand, do they now actually believe the tariff on the items referred to will accomplish any good purpose? If it is true that it will accomplish a good purpose, why did they delay ten years to put it into effect? Will the people believe that the government has had a change of heart? Will they believe that the government has a heart at all, or is this nothing but a change to catch a few votes? Will the people believe that those who have opposed an increase in duty on butter, eggs, fruits and vegetables have now sincerely changed their minds? I think it can be demonstrated without a shadow of doubt that almost the entire cabinet and most of the members on that side of the house have, during the past few sessions, gone on record against any increase in tariff on these articles. A few weeks ago the Minister of Trade and Commerce (Mr. Malcolm) argued in this way: Well, if you do put a duty on butter and eggs it will not do any good, because in a little while production will overtake consumption and you will be back where you were before. Why does he not apply that to his furniture? Instead of that he brings the other minister to his relief and gets him to raise the duty on furniture.

Mr. EULER: Nothing of the sort.

Mr. CHAPLIN: The government did not raise the duty on furniture?

Mr. EULER: I am contradicting the statement made by the hon. gentleman that the Minister of Trade and Commerce induced the Minister of National Revenue to do this.

Mr. CHAPLIN: I am willing to accept that statement by the minister. I am sorry to have made that remark. The fact remains that the one gentleman is the furniture man and the other is the Minister of National Revenue. The Minister of National Revenue raises the tariff upon furniture. I do not know at whose behest this was done, but he raises the duty so that more duty is collected on furniture. What for? Because it is being, so they say, dumped. I ask the minister this question: Is he going to apply the same principle to other businesses in this country?

Mr. EULER: If conditions are the same.

Mr. CHAPLIN: Conditions are the same, but none of us happens to be in the bedstead business. Some of us are in other businesses.

Recently during this very session members of parliament have gone on record that a duty on eggs and butter is of no use; that it would not do any good. Some since the introduction of the budget have somewhat regretted it. I think the minister might get a little more chloroform and hand it to those fellows because they are not in line with the others. Of course that chloroform has been used further. The Minister of National Revenue himself once or twice has been chloroformed too.

Mr. EULER: The hon. member is referring to my thumb, I hope.

Mr. CHAPLIN: No, I am referring to the liquor business.

Mr. EULER: The anaesthetic was, I should judge, pretty generally administered to everybody on the other side.

Mr. CHAPLIN: My friends on this side never came out so boldly as the minister himself and told us what was going to happen, and nobody knew more about it than he did. I will admit he knew, but he did not stick to his guns as I have seen somebody else do.

An hon. MEMBER: He did not hide behind the curtain.

Mr. CHAPLIN: One thing sure is that I did not vote for the bill—I wanted to vote against it—because on principle I will not vote to give anything to the United States.

Mr. EULER: Why did my hon. friend not vote against it?

Mr. VENIOT: The hon. member is in deep water now.

Mr. CHAPLIN: I am in no deep water at all and do not find the subject embarrassing in the least. I had my own reasons, and as I heard one hon. gentleman say, it is none of your business. I certainly would not vote for it anyway.

We now have the spectacle of a discredited party ready to go before the country with a policy that is diametrically opposed to what is generally supposed to have been their policy, judging by their actions in the past several sessions. They are now ready to abandon their own principles knowing that the tide of feeling in the country is running against them. They pretend to want to take action against the United States, to put up the tariff against the United States and reduce the British preference, so that trade may be diverted from the United States to Great Britain. I wish to refer briefly to some of these items.

On the first page of the budget proposals of the Minister of Finance, I find such articles as animals, live hogs, meats, canned meats and other meats, tallow, beeswax, eggs. Let me just say this, that that is a bunk sheet so far as the British preference is concerned.

Mr. YOUNG (Saskatoon): What is the meaning of bunk?

Mr. CHAPLIN: It is pure, unadulterated bunk, and if you dont know what that means you had better get the dictionary. Let me take these items in turn. There were four head of cattle imported into this country under the duty. There were no live hogs imported. And yet Great Britain is being offered the sale of this stuff to us! On canned meats the British preference is reduced by 2½ per cent. In other meats Great Britain might have done some business with us, but the government took good care not to reduce the British preference on that item. It remains at two cents a pound as it was before. Why? Because the government has had the experience of reducing the duty on Australian meats and butter, and their friends did not support the government too long on that, and the government had to abandon it.

The next item is tallow. There have been no importations of tallow into this country for years from Great Britain, but we do get a lot from the United States. Of beeswax we import none from the United Kingdom. Of eggs in the shell a few dozen came from Great Britain. But on the second egg item, broken eggs, here is what happened. This is a line of goods in which the British send us nearly 1,000,000 pounds of eggs, $120,000 worth. What did the government do with respect to that business? They raised the tariff. They did not want Great Britain to continue in that line of trade. They were scared. But on the very next item of eggs, in which the trade was not very heavy, only $4,000 of importations, the government reduced the tariff, making the British preferential rate 10 per cent instead of 15. That is exactly why I call these proposals bunk.

Take butter. But what is the use? Does Britain sell us butter? A few pounds came in, but who knows where it came from? Great Britain is a world trader, trading everywhere. What is more, we do not want butter from England any more than we want it from Australia or New Zealand.

I come to the item, compressed yeast. The government is going to force that business over to England, I suppose. At present all the imports come from the United States. The Americans have yeast offices all over this country.

Take buckwheat, and beans. Beans are made free from England. There is a duty under the general and intermediate tariffs, and it is free under the British preference. Why? So that our people can buy beans grown all over the empire to bring in against the beans grown by our own people. That is not the kind of protection that I would like to see. We allow buckwheat and barley and cornmeal to come in free. That is on the second page of the resolutions, another bunk page, and the hon. gentleman need not ask me what bunk means either.

Now I come to oatmeal. We bought from Great Britain in 1929, 438 pounds of oatmeal. Of rye in the last four years our total importations from Great Britain have mounted to 106 bushels. Of rye flour we imported none from Great Britain and these are made free of duty.

The government is also allowing wheat to come in free from Great Britain. That is another bunk proposition. Here is the situation about wheat and wheat flour. We got 75,000 barrels of flour from the United States in 1929, and from Great Britain 134 barrels. The funny thing about it is that that flour came in free from Great Britain. Just imagine, Mr. Speaker, we put this on the free list! It was free before so far as Great Britain is concerned, and under a free tariff Great Britain sent us only 134 barrels against 75,000 barrels from the United States who are paying a fifty-cent tariff. If the Minister of Finance really wanted to cut off the trade from the United States and hand it over to Great Britain, he did not go the right way about it.

Let me summarize. There are 387 items in the old tariff printed in the Minister's proposals, 387 items in which no change is made in the American tariff. There is not one cent of change in them; they stand the same. There are 70 items upon which the tariff against the United States is increased, and 105 items on which the tariff against the United States is decreased. Now what is the way to get imports from a country? It is to decrease the tariff. That will bring imports. Now there are 105 items in the Minister's proposals, coming from the United States, on which there has been a decrease of tariff. My figures do not exactly agree with the minister's; I cannot make them gibe, but when we examine the items in detail we shall find out who is nearest correct.

[Mr. Chaplin.]

Mr. BEAUBIEN: It is a low tariff budget then?

Mr. CHAPLIN: No, I am not saying that at all. The claim is made by the Minister of Finance that we are putting the Americans out of business in this country, that we are sending the trade that formerly went to the United States over to England. The way to bring that about, as I said before, was to have increased the tariff against American importations, to make it sure that the trade would go to England. I know perfectly well that so far as the articles I deal in are concerned—and it is enough for a person to be acquainted with his own line of business—the minister is wrong. I know he has been wrongly informed on many of the articles. I know it from experience, I do not need anyone to tell me. And I know we will contiue to trade with the United States in pretty much the same proportion as we are doing now.

Let us examine this thing a little further. If that proves to be true—and there are protected articles here, there is no doubt about that—if those articles are really protected, then Britain cannot sell them to us, so how is Britain going to increase her trade with us? If our steel mills are now well looked after so far as construction steel, ingots, and other things are concerned, how can the English mills come in here and get that trade? If these things are well protected here very few of them will be imported from Great Britain. That is what I said in the first place, that this government did not know the difference between a protective tariff and revenue tariff. I do not apply that remark to every member of the government, Mr. Speaker. The Minister of National Revenue (Mr. Euler) knows the difference, and so does the other minister (Mr. Malcolm) who is in the manufacturing business: but evidently they have been chloroformed, they are not in the running in respect to this tariff.

Now Mr. Speaker, I have not yet begun to get through the list of what I call, and which are, "bunk" items covered by the British preference in this tariff. There is just as much bunk in these items as there was in the French treaty that I quoted. But let me continue with these items. After wheat and wheat flour comes rice-bran. Well, we got $62 worth in 1929, and in the nine months of the present fiscal year not a dollar. Macaroni and vermicelli have been made free; they enjoyed a 75 per hundred weight tariff before. Now, what is the object of putting these articles on the free list? We are making macaroni in this country—there are three macaroni plants in my district. Does the

minister want to put these people out of business? Do the government intend to continue strafing the industries of Canada? Do they want to see a few more men out of jobs? Hay and straw comprise the next item; there is no use saying a word about it. Natural flowers; these are made free coming from Great Britain. Well now, should that item have been inserted? Are any natural flowers imported from the old country?

Mr. MANION: They will be imported for the funeral of the government.

An hon. MEMBER: You can bring them in by aeroplane.

Mr. CHAPLIN: I suppose you get lots of them out in Winnipeg. Potatoes have been made free all round, but we have got the countervailing duty. In other words, Mr. Speaker, heretofore we have had a duty of this kind, but we always made the tariff ourselves, the rate of duty always appeared in our own tariff book. Now, the duty is not inserted at all. We have a government that is scared to put any duty in the tariff; it is going to let somebody else do that. When the commodity comes from the United States the United States authorities will make the tariff; if the goods come from some other place, their entry through the customs cannot be made until we know what the tariff of the other country is. Apparently we have not got enough nerve ourselves to legislate for our own people, we let somebody else make our tariff. I have no hesitation, Mr. Speaker, in saying that so far as potatoes or any other vegetables are concerned which we produce ourselves, I do not care where they come from, if they interfere with the products raised by our own people, while those native products are available in abundance, I say we should have a tariff to stop the importation of similar vegetables. If high-priced fruits and vegetables are imported out of season, there is all the more reason why there should be a duty on them because only the wealthy people can buy them, and they should pay for the privilege. The same remark applies to imported strawberries and other high-priced stuff. Onions are free from England or British colonies or British possessions. The tariff is 30 per cent on the general tariff which is the same old tariff; but the minister has done something more, he has put on a specific duty, which he says shall not be less than three quarters of a cent a pound.

That puts me in mind of one other matter that probably I can deal with before my time expires. The Minister of Finance says that he has made an orderly tariff. I wonder where we have heard that word before? I think it has come from the west. I have heard the word out there. I have no doubt that when the minister made these proposals in the first place he had an idea that he could turn a certain amount of trade away from the United States to Great Britain. Let me quote his words about an orderly tariff. He said first:

> When this revision is completed the Canadian customs tariff will consist of 1,188 items of which 589 will be free under the British preference.

It seems to me, Mr. Speaker, he paid more attention to the number of items than he did to the quality of the items, or what the items amounted to. That is one reason why I propose to show the falsity of many of the items. It would take me three hours to go through the full list, but if I had the time I could show on every page a bunch of stuff that is nothing more than junk. It has no right to be in the tariff so far as bringing any business to Great Britain is concerned. He says further:

> The importance of this enlargement of the preference is indicated by the fact that Canada imported last year over two hundred million dollars worth of the commodities on which we are now increasing the British preference.

I do not deny that at all. But the minister is very careful not to say. "I predict that as a result of this extension of the British preference so many million dollars worth of goods will come from England." He could have done that had he put a proper tariff on American goods that would have ensured the import of similar goods from Great Britain. But he did not want to do it. Even the reductions that have been made have just been moderate, and the increases are about the same. As I pointed out a few minutes ago, there are 387 items that are not touched at all. Do you mean to say that the people who have been favoured with that business heretofore are going to lose it? Not on your life. I have met some steel people from the United States since this budget has been brought down, and they are not worrying. There may be two or three items that they cannot touch, but the minister knows that if he had increased the tariff on the articles that I am speaking about the goods would be made in this country, and it would only be necessary to see that the people favoured by the tariff did not exploit the domestic consumer.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, it is a pleasure to speak after the hon. member for Lincoln (Mr. Chaplin). I have listened with rapt attention to the speech of the hon. gentleman and I must say that it was delivered with the energy

of flaming youth. In his opening remarks he said that the government was falling into the footsteps of the Tory party. He was mistaken in that respect and also in the advice which he gave to the government. If such advice were followed the cost of living would be greatly increased.

I think this would be a proper occasion upon which to mention the eloquent speech delivered on Saturday by the leader of the opposition (Mr. Bennett). I read the report of his speech as it appears in the press. His remarks are not new by any means and they are as follows:

"Countervailing tariff meant" he proceeded, "that the Canadian tariff would be made at Washington." "So," Mr. Bennett went on, "You have this beautiful condition that when the President of the United States at Washington signs a tariff ruling, that will be the tariff in Canada."

I wish to make reference to a statement which appeared in the Montreal Star of May 3:

Most of lumber items put back on United States free list. Washington house members on tariff rate-slashing rampage.

The point is that most of the statements made by the leader of the opposition are reversible, and it would be nearer the truth to say that the American tariff was made in Ottawa rather than to say that the Canadian tariff was made in Washington. In answer to the statement of my hon. friend from Lincoln as to the policy of this government and as to the policy of the Tory party, it might be fitting to quote the definition of Liberalism which was given by the Prime Minister (Mr. Mackenzie King) at the meeting held on March 19, of the Twentieth Century Liberal Association of Canada:

Freedom and Equality

Liberalism is above all else identified with freedom and equality. It seeks to destroy the strength of privilege and the restraints which privilege, for its own ends imposes on those who are not permitted to share its rights and enjoyments. You can see that the moment freedom begins to assert itself through its advocates in any given sphere or at any given time, immediately there will arise those who will seek to conserve for themselves, and for those who share their privileged position, the privileges and rights which are already theirs. They, in their turn, come to be known as Conservatives.

The Liberal attitude, in contrast to the Conservative, is based upon a belief in the general interest as being superior to any special interest, the supremacy of general interests over particular interests. It is based upon a belief in the subordination of class interests to the interests of the community. It implies that the good of all is the good of each; that in our organized social life we are members one of another.

[Mr. Pouliot.]

Mr. QUINN: Liberalism is dead, and it is waiting for the undertaker.

Mr. POULIOT: That is what will happen to my hon. friend after the election.

At the last annual meeting of the Royal Bank of Canada held on January 9, 1930, Sir Herbert S. Holt, in moving the adoption of the directors' report, suggested that Canada should follow President Hoover's example. That represents another occasion when Tories have made the suggestion that we should follow the example of the United States, and establish a non-partisan advisory council composed of men of outstanding ability who would be representative of industry, agriculture and labour. In moving the adoption of the report he used the words:

Men representative of industry, agriculture and labour, who would assist the formulation and execution of effective measures for the maintenance of that equilibrium which would ensure state prosperity.

The following morning the Montreal Gazette in its columns praised the suggestion made by Sir Herbert Holt. It would be interesting to know what was behind the suggestion made by this newspaper. On April 25 the same paper published another editorial supporting the request of the Montreal Light, Heat & Power Company and other privately-owned power companies in Quebec for the repeal of "the discriminatory federal income tax which exempts the customers of publicly-owned utilities, such as the Ontario Hydro-Electric, and exacts a heavy payment from the users of power supplied through privately-owned services." After that editorial, the cat was out of the bag. The price of electricity is very much higher in the province of Quebec than in any other province. As my hon. friend from Beauharnois (Mr. Raymond), very wisely pointed out on March 6, 1928:

If the consumer pays too high a price for electricity in the city of Montreal, and in fact he does, it is not on account of the federal tax paid by the company but of the exorbitant profits made at the consumer's expense; and when, under the plea that an Ontario company, the Hydro-Electric Company, is not taxed for, among others, the good reason that it makes no profits, it asks for an exemption of taxes on the profits realized, not only on the electricity sold to the citizens of Montreal, but on that sold to the United States, on the sale of gas and other articles in the various branches of commerce, also on its investments. It simply wants to ward off the public's suspicions, who rightly claim lower rates for electricity.

A share of the Montreal Light, Heat & Power Company purchased in 1908 for $85 has brought to date to its owner the grand total of $1,770. Imagine that! On May 6th

my hon. friend from Mount Royal (Mr. White) said:

> In a word, in my judgment the only way to bring about equity in taxation is to abolish the income tax entirely with regard to public utilities.

The day after the Montreal Light, Heat & Power Company increased its dividend! On May 3, Sir Herbert Holt, in an interview with the press, repeated that such just taxation "created an unfair discrimination." If his argument was listened to, the sky would be the limit with regard to profiteering. As the county council of my constituency and the councils of other local municipalities have protested against Sir Herbert Holt's request, I congratulate the Minister of Finance upon having declined in the public interest to grant it. Have we not already a council composed of men of outstanding ability, representing, industry, agriculture and labour, which formulates and executes measures for the maintenance of that equilibrium which ensures prosperity? Do we not find such a council right here? We already have it: The Mackenzie King government, which I am glad to support.

1. I shall first deal with labour. Labour was at an earlier date represented by the Prime Minister; the present Prime Minister was also the first editor of the Labour Gazette; he prepared the Industrial Disputes Act; under Sir Wilfrid Laurier he became Canada's first Minister of Labour; he was responsible for the appointment of a royal commission on technical education; he is the author of a famous book entitled Industry and Humanity, and he is an authority on labour problems and constitutional law. The present Minister of Labour (Mr. Heenan), locomotive engineer and deep sea diver, was born under a thatched roof in Ireland. He is the father of the Old Age Pension Act, from the operation of which 43,000 people are to-day benefiting in Ontario and the four western provinces.

Mr. QUINN: The hon. gentleman had better go down and take a look at the bottom of the sea.

Mr. POULIOT: I can see from my hon. friend's remarks that there are good and bad Irishmen. When my hon. friends get old they can migrate from Nova Scotia to the west and enjoy the benefits of that act. However, I do not think they will have to go to that trouble; soon a Liberal government will be in power in Nova Scotia and will come under the provisions of that measure. The minister is responsible for several orders in council regarding contract labour and the forty-four hour week for Dominion government employees. This year he brought in bill No. 49, which I have advocated several times, with respect to fair wages and the eight-hour day for labour employed, by contract or otherwise, on Dominion public works. During the minister's tenure of office there have been approximately 160 disputes, any one of which might have been disastrous to the country; in all those disputes in which this department has been asked to assist, settlements have been made without loss of time, and the minister has intervened personally in many cases in order to prevent strikes.

2. Then let us consider how industry is represented. Senator Dandurand, Minister of State, leader of the government in the Senate and a former president of the League of Nations, is a banker; he is president of the Montreal City and District Savings Bank and of several other important business concerns. The Minister of Pensions and National Health (Mr. King), is president of the King Lumber Mills Limited, of Cranbrook, British Columbia. Last year the amount of pensions paid to victims of the great war amounted to about $39,000,000, or $6,000,000 more than when he took charge of this department. This year he will bring in new legislation regarding pensions, based upon the unanimous recommendations of a parliamentary committee which has been working under the very able chairmanship of the hon. member for Quebec South (Mr. Power). The very efficient Minister of National Revenue (Mr. Euler), has a most ungrateful task; he must collect the money. When he was appointed the total revenue from his department amounted to $361,891,072·37; he reorganized his department into three branches, customs, excise and income tax, and last year he collected $400,091,784·40, or roughly $38,200,000 more than was collected four years ago. The minister is well known as a first class business man, and certainly deserves hearty congratulations.

Then we have the Minister of Trade and Commerce (Mr. Malcolm), a young manufacturer, who has done much for the expansion of Canadian trade in many ways. He has been very much interested in research and is responsible for the extent to which the National Research Council has continued and expanded its scholarships, assisted research programs and organized and developed new activities of the greatest importance. He has furthered the post graduate training of research workers, the coordination of research work, the organization of cooperative investigation, the prosecution of research work through assisted re-

search grants and the establishment of national research laboratories. He has increased the efficiency of the commercial intelligence service; during the past eight years the number of offices has been increased by 50 per cent and the personnel by over 100 per cent. Due to the efficiency of this department, which was reorganized last year, our exports have become 28 times what they were in the year of confederation.

3. Let us now consider how agriculture is represented. We have the genial Minister of Agriculture (Mr. Motherwell), who is a practical farmer and who was formerly Minister of Agriculture in Saskatchewan. He is very congenial and popular. The most important achievements of his department since he took office have been the winning of the fight against wheat rust on the prairies; the discovery of Garnet and Reward wheat, bred and developed by Mr. Newman, Dominion Cerealist, which varieties of wheat mature from a week to ten days earlier than marquis wheat and which have extended the seed belt of this country one hundred miles to the north, opening up vast areas hitherto supposed to be useless for that kind of agriculture; the eradication of bovine tuberculosis and the inprovement in the Canadian hog. Canadian bacon has improved so very much in quality that Canada is eating very much more of it, and it compares favourably with the Danish article, which is supposed to be the best that reaches the market.

We also have the Minister of the Interior (Mr. Stewart), a farmer and a former premier of Alberta who, as the Minister of the Interior, returned the natural resources of the western provinces and who, as acting Minister of Immigration, cut out the assisted passage of immigrants, which step had been advocated for a long time throughout this country. The Minister of Railways and Canals (Mr. Crerar) was born and raised on a farm and was Minister of Agriculture in the Union government, resigning the year after the war. He was the leader of the Progressive party in the House of Commons until November, 1922, and has been president of the Saskatchewan Grain Growers' Association since 1907. Upon the appointment of the present Minister of Finance the Prime Minister called him to take over the portfolio of Railways and Canals. He is working on the consolidation of the debt of the Canadian National Railways; he is concerning himself with the Montreal terminal; this year he will inaugurate the Welland canal, which is a marvel of civil engineering, and the Hudson Bay railway. He is a fair-minded man and a hard worker, although apparently he does his work in a very easy way.

The present Minister of Finance (Mr. Dunning) was vice-president of the Saskatchewan Grain Growers' Asosciation and the organizer and general manager of the Saskatchewan Cooperative Elevators. He is a practical business man. The Minister of Finance was born in England in 1885, and is not yet forty-five years old. This young immigrant, who came to Canada in 1902, was appointed provincial treasurer of Saskatchewan when only thirty-one years of age and became premier two years later. He resigned the premiership to come to Ottawa in the dark days of 1926, since when his varied experience, sound judgment and practical views have proved to be of invaluable assistance to the Liberal party, especially with regard to the building of the Hudson Bay railway and the Halifax, Toronto and Vancouver terminals, and the complete reorganization of the Canadian National Railways. Several times the minister has been offered positions in the business world at salaries ranging from $25,000 to $50,000 yearly, but with praiseworthy self denial he has refused these offers. Upon the death of the late Mr. Robb he was chosen Minister of Finance, and his first budget speech has proved the wisdom of that choice. It is the most fair to all, although the most technical budget, since confederation, thanks to the intelligent work of the tariff board, the wise recommendations of different members of the cabinet and many private members, and the clear vision of the new minister, who continues the splendid work of his predecessor in reducing the debt of this country as well as the taxes.

I have mentioned the ministers who particularly represent industry, agriculture and labour in the cabinet which, however, includes also several other men of great ability. The Minister of Justice (Mr. Lapointe) attended the conference in London last fall on the operation of Dominion legislation and merchant shipping legislation, with regard to the disallowance of existing statutory provisions requiring reservation of Dominion legislation for the assent of His Majesty; the present position as to the competence of Dominion parliaments to give their legislation extra-territorial operation and also the repeal of the Colonial Laws Validity Act. No one, I am sure, can forget his able leadership as acting premier in the first months of the hectic session of 1926.

The Minister of Marine and Fisheries (Mr. Cardin) is a very modest man who always chooses to remain in the background, although he is one of the most eloquent plat-

form speakers and parliamentary debaters. As Minister of Marine, he had a survey made of the Hudson bay and strait, sufficient to determine what aids and improvements were necessary to enable shipping to navigate the route with safety; hydrographic charts were made and wireless direction finding stations established; a new and powerful icebreaker is now nearing completion in Halifax for service in these waters. Increased activity in the deepening and widening of the river St. Lawrence ship channel between Montreal and the sea is forecast in the proposal for a very much enlarged appropriation now before parliament. Dams have been devised and are now under construction at the head of lake St. Peter with a view to retarding the flow of waters from above. Experiments are being made all the time with a view to keeping these waters free of ice for as long as possible in the spring and fall and to this end an additional icebreaking steamer was placed in commission last fall which helped materially in keeping the channel open. New harbour commissions have been established at various points, where rapid advancement is being made to provide adequate facilities. Efforts are being made towards the production of hydrographic charts of all navigable waters in Canada within as short a time as possible. A complete survey is also being made, as rapidly as possible, of all coastal waters for the determination of ocean currents as they may affect navigation. Persistent effort in recent years has resulted in a material modification of the differential in marine insurance against Canadian ports as compared with United States ports. The meteorological service and radio beacons newly established have proved to be a great help to navigation. In addition to these 161 principal lights, 58 gas and signal buoys and 12 fog alarms have been established within the past four years at various points throughout the country, all with a view to the betterment of navigation.

As Minister of Fisheries, he has done the very best to increase the fisheries production and went personally last year to the maritime provinces in that connection. The marketing value of the fisheries had increased considerably during recent years. I am sorry that the time at my disposal does not permit the opportunity to give more details in this respect but this branch has grown up to such an extent that the government has decided to establish a separate ministry of fisheries.

The Minister of Public Works (Mr. Elliott) comes from an old Liberal family of Ontario. As Minister of Public Works, he is the guardian and has to look after the building, maintenance and upkeep of the houses of parliament and of all the Dominion public buildings throughout this country. He is a very active man. The growth and progress of the country and the following expansion and development of several departments necessitated the erection of the new Confederation buildings, of which he is justly proud.

The Postmaster General (Mr. Veniot), formerly collector of customs and afterwards premier of New Brunswick, inaugurated the penny postage in this country and extended the same to the British Empire, reduced postage rates between Canada and France and also South America. When he took office, the postage on a parcel of 11 pounds from Canada to South America was $2.75, the same rate as a 20 pound parcel from the United States to South America. Due to his efforts the rates are now the same, which means a great advantage to trade by providing facilities to Canadian merchants to send samples to South American customers at cheaper rates. He is the father of the air mail service in this country.

The Solicitor General (Mr. Cannon) is a barrister of note. In England the Solicitor General receives a salary of about $20,000, besides his fees in each case, twice as much as that of the Canadian Solicitor General. In Canada, the Solicitor General receives no fees when he argues a case on behalf of the government and I am glad to say that the Solicitor General has been successful in most of the important cases which he has argued before the Supreme Court of Canada and the Privy Council. The last case that he has won before the supreme court was that of the Sun Life, in which case the decision of the superintendent of insurance, Mr. Finlayson, was supported by the exchequer and supreme courts. I wish to pay that tribute to that honest civil servant who was not impressed by dealing with a big company.

The Secretary of State (Mr. Rinfret), a journalist and a former member of the press gallery settled last year a long pending question—the war claims. He was well fitted for such a settlement because he is such a kind, amiable and peaceful citizen. He is presenting legislation to amend the company law in order to fit it to modern exigencies. He increased, in 1927, the salaries of the civil service by $3,000,000, and now he is considering the Beatty report on technicians. Before he reaches a decision I would humbly suggest to him to give a flat increase of $10 per month to everyone in the civil service and to

fix a minimum salary of $100 per month for civil servants, who work exclusively for the Dominion government.

The Minister of National Defence (Mr. Ralston) went to France on February 10, 1917, and served continuously until the armistice in 1918. He is one of the best debaters in the House of Commons. During his tenure of office, Canada, by actual administration and development, has made a greater and more varied use of aviation than any country in the world. The air services have been reorganized. The station at Camp Borden provides training for officers and airmen. In the prairie provinces where forest fire protection patrols are operated, the stations are all linked up by wireless, so that communication between aircraft and ground stations is maintained during flight. In addition eight photographic detachments operate in various parts of the country taking air photographs for mapping purposes. The work of the civil government air operations also includes exploration and surveys, transportation of men and supplies for survey parties, Indian treaty flights, crop and forest dusting, fishery patrols, airmail investigation, et cetera. This branch, in conjunction with the Department of Marine and Fisheries, was responsibile for carrying out the survey and observation on ice conditions in the Hudson strait. Besides that, there is the excellent work done by the civil aviation branch and the aeronautical engineering branch. With regard to empire communication, the R-100 is about completed and expected to make an initial flight to Canada shortly and, to use the minister's own words: "We hope that the experiment in closer communication between our British brothers and ourselves will be crowned with success." The minister proved to be a very distinguished representative of Canada at the last naval parley on the limitation of armaments at St. James palace and the fact that our Minister of National Defence advocates peace is a great credit to the government.

As Secretary of State for External Affairs, the Prime Minister (Mr. Mackenzie King) has attended several imperial conferences in London where his advice was often sought. He also signed in Paris last year the Kellogg pact for peace.

These are the men who have assisted the hon. Minister of Finance (Mr. Dunning) in the careful preparation of the budget which has been presented this year, and, to paraphrase the words of Sir Herbert Holt, they have formulated and executed effective measures for the maintenance of that equilibrium which will ensure state prosperity.

I am not in favour of high protection, nor am I in favour of free trade; I think a moderate protective policy is the wisest, and that is what this government advocates. The present budget essentially is a technical one, and that is the reason why some of the hon. members on the other side of the house do not understand it. On June 12 of last year the hon. leader of the opposition (Mr. Bennett) said that the tariff board was "a glorified commission to enable the minister to escape responsibility." When he made that statement he did not know the kind of budget which would be presented this year. At that time the government were working on the preparation of this budget, but it would have been impossible to draw up such a budget without the assistance of everyone who was in a position to obtain reliable and complete information from the people, who are the ones interested in this matter. Tribute is due to the tariff board for the amount of information they have supplied to the government. The present budget is not one which gives benefit to certain sections of the country; it is a budget for the whole of Canada and everyone will receive benefits. Even those hon. members who speak against it because they do not understand it will receive benefits as well as all other citizens of this country. Last year we had hon. gentlemen speaking of a "wait and see" policy. We have waited and now we can all see. I believe the result is satisfactory. I am frank enough to say that I do not approve all the appointments that are made by the government; sometimes I think they could have been better, but we must consider the general policy of the government which is very satisfactory. I trust the present leaders of the Liberal party in this house, because it is the real Liberal party. The leaders that we have here are sound and able.

Mr. McGIBBON: What about Quebec?

Mr. POULIOT: In Quebec they might call themselves Liberals, but my hon. friend will remember that last year when I asked hon. gentlemen oposite who was the greatest man in the Tory party, he himself said: "Taschereau." So my hon. friend has the same views as I have with regard to his qualifications. I am glad to support the general policy of this government, although it is not perfect. No one can expect to find anything perfect in this world, but the government is the nearest approach to perfection.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, in rising to continue the debate on the budget I should like first to offer my congratulations to the Minister of Finance (Mr. Dunning) on his restoration to health. I am sure most of us who knew of the very serious illness he had last summer were more than glad to see him take his place in the House of Commons this session. Coupled with that I feel it is my duty as a member of parliament to voice my protest at the minister's continued absence from the house. Since coming into parliament in 1917 one thing that has impressed me has been the continued attention ministers of finance have paid to all suggestions coming from any quarter of the house. I remember Sir Thomas White, the Hon. A. K. Maclean, later on Mr. Fielding and Mr. Robb, who were practically always in the house when their budgets were being discussed, trying to get what information they could and gave it that courteous attention which suggestions from any part of the house should receive.

Speaking as a Conservative, I think the Conservative party have had paid to them in this budget one of the greatest compliments that has ever been paid to any party in any legislative hall in the world. For fifty years we have been advocating a policy of adequate protection for industry, the farmers, the labouring men and the consumers. During all that time we have been met with policies that have varied almost with the seasons and that have been discarded almost as often as the birds discard their nests. We had hon. gentlemen advocate unrestricted reciprocity under the treaty of 1911, free trade as they had it in England and, last but not least, the platform of 1919. All of these were more or less of one nature; that is, they bordered upon free trade. It is true that during the election of 1921 the Prime Minister (Mr. Mackenzie King) disregarded his platform and said that he had a "chart." I suppose we have the fruits of that navigation to-day when in this budget the Prime Minister has practically discarded all the past and has come out for a policy of protection. We are told in history that prophets have been stoned by their lineal descendants. While it may be true that the present Minister of Finance has not stoned all the ministers of finance and lieutenants of the party of the past, he certainly has built their sepulchres and has cremated their policies into ashes.

But you cannot steal other people's brains successfully, and this budget has failed because hon. gentlemen opposite have not the skill, the experience, the ability and the courage to enforce it properly. We who have been forced to make our living by practising surgery have at times been compelled to ask our clients to undergo severe operations. When we see the stage of dissolution appearing, when we see their strength fading, we sometimes have to ask them to give us greater liberty to take some risk of their lives. Sometimes it is necessary to cut deep into the vital organs to remove some dangerous growth. At other times we have to transfuse into their arteries life-giving fluid in order to prolong their lives. In this budget it seems to me that the Minister of Finance has been attempting to transfuse into the old sclerotic arteries of the Liberal party some of the life-giving fluid of the protectionist doctrine which this party has advocated for many years gone by. But he has failed because he lacks the skill, the technique and—and this is the greatest cause of all—because he lacks the courage to do the thing properly.

On one occasion Disraeli, criticising the government of the day, stated that there were three courses open to it: the course they had left, the course they had pursued, and the course they ought to have pursued. I want for a moment or two to view the actions of the government somewhat in that fashion. I will not say much about the course which they have left except that what they have done is a confession that for thirty or forty years they have been preaching false doctrines to the people of Canada and at last they have been converted. It may be a deathbed conversion, as we think it is; and in that case I should like to remind them that sacred history records only one successful deathbed repentance, that of the thief on the cross. So much for what they have left.

Forgetting for the moment the intermediate course, I want to ask them what they should have done. The answer has been given in the language of my leader when in his speech in the house the other day he said that it was their duty to vacate their seats and give place to Canadians who would produce a Canadian policy for the Canadian people. That is what I conceive was their duty. In place of that we have, as has been pointed out this afternoon and in days gone by, a policy that has its genesis in the city of Washington and that is written by the president of the United States. Sir, we object to that. We think that the policy of this country should be written by Canadians. As far as that limited part of the budget is concerned, all that the finance minister

has succeeded in doing has been to move the American eagle from Washington to the 49th parallel of latitude, and there he flaps his wings, stretching from the frozen sea of the Arctic to the torrid gulf of Mexico. We on this side of the house object to policies of that kind. We believe in a policy that will start the wheels of industry in this country rolling, that will give the farmer greater remuneration for his toil, that will bring to the home of the labouring man greater comforts and a better standard of living.

If I had to discuss this budget from only one or two standpoints, I would say first that it is a budget of hypocrisy. Second it is a budget of camouflage. It is a budget of hypocrisy because we have in it the great recantation not only of the government but of the whole Liberal party in the house. I must say that the Minister of Finance has a lot of courage when he asks the whole Liberal party to turn their backs on the past and put their heads upon the executioner's block, for that is what it means for many of that party at the next election. When I look back over their history and recall many of their expressions in this house and their protestations throughout the country, as well as their past policies, I am not altogether surprised. Those of us who have been in this house for some years have seen them steadily year after year steal from the Conservative party those principles which we by an educational process have made popular in this country. We have seen them steal the credit for the national railways, although you, Mr. Speaker, will remember that we had to sit nearly all night in the old museum and almost hold a pistol at the heads of hon. gentlemen opposite in order to carry the legislation through making what are now the national railways the property of the people of Canada. Some hon. gentlemen will remember that this country very nearly lost the national railways. There was a plan, and a deep laid plan at that, to retain for the shareholders the Grand Trunk Pacific proper, which was the paying part of the road, and leave upon the hands of the people those white elephants which were fast bringing this country—I was almost going to say into bankruptcy, but at all events were heaping up great deficits. I was told at the time by one of the ablest lawyers in the house that that plan would have come very near to succeeding had they not forgotten one thing, and that was the War Measures Act had not been repealed. It was still in existence, and I was told at the time that it was stretched to the very limit in order that the country might get possession of the national railways. Now, that the national railways have become successful and are more or less paying the interest on the debt to the public at large, we see that they are taken like a foundling to the bosom of the government who now claim the system as their own child.

We have also seen the government in the Duncan report incorporate a large part of the policies upon which we went to the country in 1925, and we do not hear anybody giving the Conservative party credit for those policies. It is to the Conservative party that credit is due. And now in this budget we have an attempt to steal some part of the Conservatives' protectionist policy. It is true that they have not done it successfully, because, as I said a moment ago, one party cannot steal another party's brains, and the genuine article will always outshine the counterfeit.

I want for a moment to recall some of the statements that have been made in this house by members of the government and of the party opposite. In Hansard of February 24, 1927, I find the present Minister of Finance uttering the following:

> That is the fault I have to find, and that is the distinction I draw between our attitude on this side of the house and the attitude of hon. gentlemen opposite. Why, we had a plea for the onion growers. There are three hundred of them in Canada, and my hon. friends opposite want to tax all the people of the Dominion for the benefit of those three hundred onion growers.

And yet, sir, what do we find in this budget? We find this same minister who uttered these words bringing down a budget putting a duty of 45 cents a bushel on onions. Was there ever a greater exhibition of hypocrisy than that? Further on in the same speech, the present Minister of Finance said:

> Had the Conservative party been in power to-day and honestly carried out what they led the people of Canada to believe is their policy, we would have a tariff as high as the tariff now existing in the United States.

"Brick for brick." He was ridiculing such a policy in 1927, and in 1930 he puts that policy which he ridicules upon the statute books of this country. Further, in the same address he said:

> We are between the devil and the deep blue sea.
> Mr. Manion: Which is the devil?
> Mr. Dunning: Well, if I have to define the term, I am afraid I shall have to say that the Tories are.

I was reading the other day in the Winnipeg Free Press something that possibly ex-

plains that attitude. The Winnipeg Free Press says:

In some of his western speeches Mr. King is reported to have said that the Progressives were "in the nature of outlaws in parliament," and that they "are simply helping to make the west ridiculous."

I suppose, sir, that that is the reason why the Minister of Finance has turned from the deep sea to the devil of the Tory party.

I have also here some of the statements that have been made in the past by the Minister of the Interior (Mr. Stewart), who, this afternoon, in a sort of jocular way, amused the house by his address. We all remember his famous statement about the "death knell of protection." He was quite willing to be its executioner. I see my hon. friend the Minister of Agriculture (Mr. Motherwell) in his seat. Looking through Hansard I find him designating protection as "bunk." Possibly he might translate that classic word for the benefit of his followers who were so anxious to get at its meaning this afternoon.

Let me also quote some words uttered by the deputy speaker. He used this classical language in the days when we were in the old museum:

I believe that the trouble that exists to-day can be directly traced to the protective tariff that obtains at the present time.

Then, sir, listen to this expression of opinion. The hon. gentleman was then opposing a sales tax of 3 per cent; he afterwards supported one of 6 per cent. On May 18, 1921, he said:

You cannot expect to have the perfume of roses while you have a polecat under the table.

As I say, we had at that time a sales tax of 3 per cent. I wonder how many polecats are under the table to-day.

An hon. MEMBER: Who said that?

Mr. McGIBBON: The deputy speaker. Let me complete the quotation:

Neither can you expect to have fair methods of taxation imposed by a government whose policy is dictated by and wholly in the interests of the big interests of the country.

Then, sir, I have one more quotation which is of some significance considering that we have behind the ministery a fair number of so-called Liberal Progressives. I do not know whether they are Progressives or not, but the only thing that to my mind qualified them as Liberals in the past was that they seemed to be willing to give away their country and their policy and everything else to retain office. The then member for Last Mountain (Mr. Johnston) had this to say:

I may say that in 1916, shortly after this policy—

That is, the farmers' platform.

—had been adopted by the Canadian Council of Agriculture, every candidate in the federal field in Saskatchewan was circularized by the secretary of the grain growers' association there and asked whether, if elected, he would be prepared to support the policy as laid down by the Canadian Council of Agriculture.

That, Mr. Speaker, was practically a policy of free trade. To remove any doubts on the point, let me quote the platform, which, I take it, in the past was supported by all those hon. members sitting to your right, sir, who now are supporting this protectionist budget. This farmers' platform was drafted and issued by the Canadian Council of Agriculture at Winnipeg on November 29, 1918:

A.—By an immediate and substantial all-around reduction in the customs tariff.

I wonder if our friends opposite are getting it in this budget.

B.—By reducing the customs duty on goods imported from Great Britain to one-half the rates charged under the general tariff, and that further gradual, uniform reductions be made in the remaining tariff on British imports that will ensure complete free trade between Great Britain and Canada in five years.

I wonder, sir, if they are still supporting that plank.

C.—By endeavouring to secure unrestricted reciprocal trade in natural products with the United States along the lines of the reciprocity agreement of 1911.

I wonder if there are any men in the west to-day who, even if they got the chance, would accept that policy and submit the farmers of this country to the tender mercies of the great trusts of Chicago and other centres in the United States. I venture to say that if a vote was taken not one of them would stand up in favour of it. Here is another plank of the farmers' program:

D.—By placing all foodstuffs on its free list.

Here is another plank:

E.—That agricultural implements, farm and household machinery, vehicles, fertilizers, coal, lumber, cement, gasoline, illuminating fuel and lubricating oil be placed on the free list and that all raw materials and machinery used in their manufacture also be placed on the free list.

Now, sir, if we placed everything from Great Britain on the free list and were getting everything from the United States that was to have been given to us in 1911, we would have the pure free trade policy, that, I take it, everyone of these so-called Liberal Progressives pledged themselves to support in the past. In view of this, is not the Minister of Finance putting a severe strain on their free trade faith when he asks them to come out and support his protectionist budget? It

will be interesting to watch the member for Lisgar (Mr. Brown), the member for Weyburn (Mr. Young) and other hon. gentlemen opposite, whose voices were raised heavenward in the past for free trade, and see how they will take this budget. We will watch their course of action with considerable interest. Then there is my good friend the Minister of Railways (Mr. Crerar) whom I must not forget. I must say that I think he has a very pleasant personality. I supported him once—I hope I may never do it again. I feel like apologizing for that one vote I cast to keep the hon. member in power. We watched him come into office and followed his career there.

I should like to draw your attention, Mr. Speaker, as I did at the beginning of this address, to the absolute indifference of the members of this government to getting their budget throught the house. It makes me think that they really do not want it accepted, that it is simply a budget of distress. Well, we shall see before the debate ends. On the government side at the present moment we have the Minister of Agriculture (Mr. Motherwell), the member for Qu'Appelle (Mr. Millar) and three other private members, while on this side we have a pretty fair representation of members who still have the interests of the country at heart and want to do something for Canada.

Now, sir, in order to make my record complete I desire to place on Hansard the letter to Sir Robert Borden containing the resignation of the hon. Minister of Railways. It was read to the house the other day by my leader, but I desire again to quote it. The letter was dated June 4, 1919:

> The government, in its consideration of the budget to be placed before parliament tomorrow, has reached, I take it, definite and final conclusions as to the form it will take. As you are aware, I am not in accord with it and therefore cannot support it, either in the house or in the country. Having reached this decision, there is only one course for me to follow, and I therefore tender you herewith my resignation as a member of the government. The reason for my decision shall be given more fully when the subject is under discussion in the house.

That, as I say, was written on the 4th day of June. On the following day the budget was introduced. The Minister of Agriculture admits that he knew it was to be a protectionist budget. There is a significance there, sir, that I shall draw to the attention of this house and of the country before I conclude. May I call it six o'clock?

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

Mr. McGIBBON: Before the house rose at six o'clock I was pointing out the inconsistencies of the actions and policies of government members. I had brought to the attention of the house the fact that they had recanted on everything which they had advocated in the past and that they had purloined at least in part the policy of the Conservative party. Before the recess I had put on Hansard some statements made by different ministers of the crown and by Mr. Deputy Speaker. I had pointed out that in the past these hon. gentlemen had expressed opinions contrary to the policy outlined in the budget which is now before the house. Directly before the adjournment I was dealing with statements made by the present Minister of Railways (Mr. Crerar). I had read his objection to the budget of Sir Thomas White in 1919, and the objection of the hon. gentleman at that time was that it was a protectionist budget. At this time I wish to put on Hansard a few more statements made by the Minister of Railways as they are reported in Hansard of 1919, page 3329:

> When I joined the government I made it perfectly clear that I had not surrendered or given up any of the principles that I believed in and as to which I had endeavoured, in my small way, to educate this country prior to that event.

I shall also put on Hansard a record of what those principles were. For the edification of this house and of the country I have read the platform of the Canadian Council of Agriculture. I would like to call to the attention of the house the action of the present Speaker of the house when in 1918 he asked the present Minister of Railways what he thought of that platform. At that time he rose in his place and said that he thought it was a good platform when it was adopted and that it was still good. If the hon. gentleman were in his place to-night I would ask him if he still held that view and if so what right he has to sit in the present government after the introduction of the present budget. On page 927 of Hansard, 1919, (second session) the present Minister of Railways is quoted as follows:

> To me as a westerner and as a man who believed profoundly in reciprocity with the United States, and believes in it yet, the discussion has been decidedly interesting.

At page 2909 of Hansard of 1920 we have this statement from the present Minister of Railways:

> If my hon. friends want a moderate tariff for revenue only, and if the government desire

to wipe out special privilege in this direction, why did they not start on the tariff schedule in respect to cotton goods when arranging their budget? On the contrary, these cotton duties are maintained. And the same condition applies not only to the textile industry, but to many other industries as well.

If his objections were well founded at that time they are equally well founded to-day, because the same duties on textiles are maintained. At a later time when cross questioned by the then Minister of the Interior, Mr. Meighen, he said:

I want to know what are the views of my hon. friend opposite on this question. I would like the Minister of the Interior, in his next speech, or the Minister of Immigration and Colonization, to state his views as to what duties should prevail on, say, agricultural implements, on textiles, and on iron and coal.

At that time the hon. minister was deriding the duties upon iron, coal, cottons and woollens; yet to-day he joins the government in bringing in a tariff which is doubling the duty on iron and coal. At a later time the hon. gentleman makes this statement:

I make the statement in all seriousness that the protective tariff has been the greatest agency for exploiting our people that was ever devised.

I wonder if he holds to-night the same opinion about the protective tariff; if he does I wonder what right he has to sit in this government. Then, again, on March 14, 1922, at page 55 of Hansard he expressed himself thus:

There are some changes forecast in the customs tariff . . . . I hope it forecasts a revision of duties downwards. I cannot conceive for a moment that the government would think of revising the tariff upwards. I hope that will not be done.

These are only a few of the many statements of the hon. gentlemen opposite wherein they expressed themselves in opposition to the principle of the tariff and budget which they have brought down this session and have asked parliament to adopt. Then in Hansard of March 4, 1920, we find the following at page 148:

What is the purpose of a tariff? It is designed to benefit a particular section of the people, it operates in no other way, and consequently the operation of this protective system in our fiscal policy, which has obtained largely for the last forty years, has conferred upon a special class a privilege that in my judgment is not compatible with a true democracy. And I would point out to my hon. friend from Brantford and to other hon. gentlemen also who believe in a protective tariff, that protection is nothing more or less than a type of state socialism.

These are the opinions of the present Minister of Railways. I could multiply the quotations if time permitted, but I must hurry on.

For a minute or two I wish to deal with statements made by the Acting Minister of Agriculture (Mr. Crerar) who has held himself out to be the friend of the farmers in this country. I find that the hon. gentleman was sworn in on October 12, 1917, as Minister of Agriculture, and his very first act as a minister of the crown was to pass an order in council permitting the manufacture of oleomargarine. Some hon. gentlemen opposite were anxious the other night to find out something about this, and I wonder why they did not direct their attention to the present Minister of Railways. He was the man who put that into force in this country. Not only that but his next act on behalf of the farmers was to buy all the screenings from the elevators at the head of the lakes. These screenings had been sold at an average price of $8 for some six years previously; the hon. gentleman bought them and sold them to the farmers at $35 a ton. There was a loss to the government of Canada of something like $96,000; that is an instance of the manner in which he looked after the interests of the farmers of Canada. Let us go a little further. He also permitted them, by an order in council which cancelled certain regulations, to mix with the foodstuffs of this country certain seeds from the west. The analyses of these seeds, which have been placed upon the records of this house, show a large percentage of poisonous seeds which were detrimental to the health of the live stock of Canada.

What else do we find? In 1918, I believe it was, he confiscated all the butter in this country except that which was held by those who were manufacturing oleomargarine. Of course he could not touch the vested interests, but he could confiscate all the butter belonging to the farmers of Canada, while he protected his pets whom he had allowed to make oleomargarine with which they mixed the butter of the farmers so that it lost its identity.

Then there is another point to which I should like to direct attention. Before six o'clock I mentioned the fact that the hon. gentleman resigned the day before the budget was delivered, and by that budget the duty on agricultural implements was lowered in several instances. At that time the minister's company was in the implement business, and before the commission investigating the high cost of living his secretary, Rice Jones, stated that the company had not lost a dollar because their goods were in bond in Winnipeg. I should like to know where they got that

information as to what took place in the cabinet council, information supposed to be kept secret?

Now, sir, I must hurry on because I have only a few minutes left. I should like to touch on the connection of the hon. gentleman with the Home bank, of which the minister was a director from about 1908 or 1910 until after he joined the government in 1918. From information which came to him as a director of that bank he knew as early as 1916 that the capital and the reserves of the bank had been wiped out, and that since 1916 they had not been earning their dividends. From 1916 to 1923 that bank did not earn its dividends; the capital and the reserves were gone; the stock was worthless, yet the minister sat around the council board of that institution and not only voted himself dividends but paid those dividends out of the money of the depositors, of whom I have 1,800 in my constituency. I claim that their savings were taken illegally to pay the interest on the stock, and the minister was one of the directors. It is true that be brought the matter to the attention of the then Minister of Finance, but, sir, I believe that if he had done as he should he would have used his position as director to force one of the other banking institutions to take over that company at that time. Had that been done at least the depositors would not have lost their money because, as you know, there is a double liability provision and since then the auditors have told us that the amount raised in that way would have covered the amount of the deposits. That was not done. His company had $100,000 in the stock of that bank; he had some $6,000 or $7,000 worth of that stock and other members of his company had invested $4,000 or $5,000. Had he forced action not only would they have lost the money they put in; they would have had to go down into their pockets and pay out as much more money to protect the depositors. What did they do? They just sat around the council board and voted themselves money, which the depositors lost.

Mr. DEPUTY SPEAKER: Order; the hon. gentleman's time is up.

Mr. McGIBBON: One further word and I am through. Not only that, but they sold their stock at one hundred cents on the dollar when, according to the report of the auditors, it was not worth anything. That is the position I feel bound to bring before parliament, because in my constituency I have 1,800 people who have been robbed in this way.

[Mr. McGibbon.]

Mr. F. W. PERRAS (Wright): Mr. Speaker, I am decidedly happy to have the opportunity of expressing to the Minister of Finance (Mr. Dunning) my heartiest congratulations on the budget which he has presented to the house and which reflects in an accurate manner the progress of Canada on both economic and national lines. This, his first budget, gives to the Canadian people further reasons why they should be confident in the future of this great country.

May I associate myself with those who have spoken of the matter previously in saying how deeply the people of this country regret the passing of the former Minister of Finance, but I must say that we are very fortunate in having to succeed him a man with the ability of the present Minister of Finance. For many years Canada has been particularly fortunate in having as ministers of finance men of outstanding ability, and now that the voice of the people is to be heard shortly it is a source of gratification to those who sit to the right of you, Mr. Speaker, to know that the administration of Canada's finances is in the hands of such a worthy successor to Fielding and Robb.

From the reports which are pouring in from the four corners of Canada and from the expressions of opinion heard on all sides the present budget has been received with the greatest of pleasure and satisfaction by the vast majority of the Canadian people, and only those few whose unfortunate duty it is always to criticize will endeavour, against their own convictions, to argue to the contrary. Indeed, Canada has reason to be proud of the administration of its national affairs at the hands of the present government. Every budget since 1921 has revealed an increasing state of prosperity within our borders, a yearly reduction of the national debt, a decrease in direct taxation and an improvement in the affairs of our national railways. Every budget has shown the possibility of redeeming outstanding obligations to the extent of millions of dollars with reduced taxation, and every year we have seen increases in surpluses. Every budget has shown that Canada has emerged from the great crisis which followed the war with renewed vigour and in a better position to continue its triumphant march towards progress. There has been a reduction of over $258,000,000 in the national debt in the last four years, with a reduction of over $120,000,000 in the income tax, yet the surpluses have shown increases amounting to hundreds of millions of dollars. Truly the administration of Canada's finances is in the hands of men worthy of the confidence of the Canadian nation.

During those four years Canada's national status has grown along much broader lines; Canada has at last really found its place amongst the nations of the world and is that leading star in what it pleased Sir Wilfrid Laurier to call the British Empire, a galaxy of nations. The establishment of legations in the United States, in France and in Japan and the establishment of legations by those countries in Canada, constitute a tangible and concrete evidence of Canada's unparalleled development.

Canada's stand at the league of nations; Canada's representation at the latest world's conference in London, so ably headed by the Minister of National Defence (Mr. Ralston), is another tangible proof that Canada's word is heard and listened to in the council of the great nations. Canadians may well feel proud that under the able administration of the present government Canada's interests have been well advanced.

In the four great basic industries of Canadian national existence, marked progress has also been felt. The mining industry has developed in proportions beyond expectation; in the last year we find the exports from that industry to be $30,000,000 ahead of those of the preceding year. Only an infinitesimal portion of our great mining resources has been tapped, and as time goes on, and so long as the mining industry is looked after with the care and attention which it has received at the hands of the present government, Canadians may feel sure that in the production of ore, precious minerals and minerals of all kinds, Canada will continue to make progress.

The development of our fisheries has, under the present administration, received such an impetus that it is now found desirable and necessary to place the fisheries under the care of a separate minister, and the government is to be congratulated upon having decided upon that policy so that that industry on our Pacific coast so flourishing and the Atlantic seaboard, known to the world, shall receive the care and attention to which they are so well entitled.

The products of our vast forests have increased by leaps and bounds; our lumber is marketed the world over, and the production of pulp and of pulpwood has in the last few years increased to over $300,000,000. But especially in agriculture has the progress been marked, and the Minister of Agriculture (Mr. Motherwell) is to be congratulated for the wonderful success which that branch of our natural resources has attained. Speaking for the county which it is my privilege to represent, the county of Wright, I feel that what has been done in this connection has been well done, and that the great basic industry of agriculture has been well taken care of.

The legislation for which the present administration has been responsible was conceived for the purpose of assuring to that most important portion of our population the safeguard which it so well deserves. It is an indisputable fact that the majority of the working population, the one that produces the most effective results, is that which comprises the agricultural classes, and it is only proper that their interests should be adequately looked after.

It is a source of gratification to a vast proportion of the Canadian people that this year's budget benefits to a considerable extent those who most need such measures. Amongst the many improvements which it contains the foremost one affects one of the primary commodities of everyday life; I refer to the abolition of the tax on tea produced in British dominions. Already, in this city and the neighbouring districts tea has decreased in price by some ten or fifteen cents per pound. The housewives the Dominion over and those whose duty and obligation it is to look after the welfare of the family will now feel that because of the wisdom of this administration a considerable burden of taxation has been removed.

Those who for years have paid income tax will find additional relief to that provided by last year's budget in that further exemptions have been granted with respect to dependents. This administration is to be congratulated upon having extended the exemption to parents and grandparents whose existence is dependent upon the head of the household.

I wish further to say that the Canadian people will be benefited because the finance minister has been able to reduce taxation and at the same time reduce by one half the sales tax. It only goes to show how much can be accomplished in the way of tax reduction by an administration that knows equally well how to administer in a business like manner the national affairs. I wish to lay stress upon the manner in which the Minister of Finance has been able to deal with the British preference. It was the doctrine of that great Canadian statesman, Sir Wilfrid Laurier, that England should have a preference in tariff matters in so far as Canadian trade is concerned—that is, that England should be allowed to dispose in Canada of its goods under a lesser tariff than that applicable to foreign nations—and that it was only proper that the mother country should deal with its grown-up children in the same way.

I am confident that the whole of the Canadian nation is proud of the fact that greater facilities are now being afforded, not only to Great Britain but to all portions of the empire, to deal with Canada by way of imports in a manner which will be conducive not only to the better interests of Canada but at the same time to greater facility of trade on Canada's part with the other portions of the empire.

I have learned with satisfaction that it is the intention of the present administration to acquire in my county a large tract of land for a national park. I have said it before, and I know that I am upon solid ground when I state that there is no portion of Canada which in natural beauty and picturesqueness can compare with that part of the Gatineau valley which is the county of Wright and which it is my privilege to represent in this house. I understand that it is the intention to set out in the southern or northern portion of that county a large tract of land for the preservation of game, fish and birds, without in any way interfering with the rights of the holders of the land. That is a project which is well worthy of the forethought of this administration and its desire to promote the conservation of wild life.

There are many other matters, Mr. Speaker, that might be spoken of at this moment; there are many other things that might be said to emphasize the fact that the present administration has had at heart the welfare of the Canadian individual without at the same time losing sight of its desire to foster in every possible manner the development of the national domain. Many other subjects could be touched upon which would reflect upon the wisdom of this administration, but in the near future the great popular voice of the Canadian electorate will be asked to show its appreciation of what this government has accomplished in the last four years, and I am sure that the Canadian nation, desiring to march continuously onward in the path of that wonderful progress which has marked its advancement during that time, will on that occasion express in an unmistakable way its appreciation of and its entire confidence in the present administration.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I cannot follow the last speaker (Mr. Perras) and take up the several arguments that he has advanced in an attempt to show why the present government should be retained in office. He has spoken of the general prosperity of Canada and I think I am quite safe in saying that no matter what government we have in power we cannot keep this country back, but under a government with a fiscal policy more in the interest of Canada our country would have made greater advances than it has done during the last five years.

As regards the budget, let me say in the words of the amendment that I welcome and approve of every measure that will afford to Canadian agriculture, industry and labour an equal opportunity and fair competition in the development of the rich and varied natural resources of the Dominion. I do not intend to-night to deal with the financial portion of the budget. That has been very ably dealt with by my leader. Others have discussed the British preference and still another hon. member on this side has very thoroughly dealt with the budget from the standpoint of industry. My intention to-night is to touch upon a few matters concerning one industry that the last speaker mentioned, namely, that of agriculture and, in particular, those branches of it in which the people in my constituency in British Columbia are particularly interested.

This budget contains certain measures designed to relieve the agricultural industry. For years certain branches of it have pleaded for protection and session after session the party to your left, Mr. Speaker, have demanded protection. Now at the eleventh hour, on the very eve of a general election, the government have right-about-faced and tendered certain relief. Speaking as one interested in the small fruit industry, I Iam bound to say that in these measures of relief there lurks a great danger. The fruit and vegetable branch have for years sought relief from the dumping of foreign produce on the Canadian market in competition with our own good Canadian product. The remedy given in the budget is an increase in the general tariff to apply for the twelve months of the year. This application is the very opposite of what was requested by the producer. Under the new law the highest duty will be collected at that season of the year when we have no product to market and the lowest duty will be collected when our own product is available. I want it thoroughly understood that it is not the wish of the fruit and vegetable growers to penalize the consumer by high duties when their product is not ready for the market, but they want the Canadian consumer to buy their Canadian product when it is available instead of the dumped foreign article.

I should like to spend a few minutes in referring to the record of the present government in regard to this industry. In 1926 the Conservative government came to the relief of these growers by the imposition of a dump-

ing duty which remained in force for the season of 1927. Under this law the producers benefited and the consumers suffered no hardship. It was working out very satisfactorily when early in 1928 the government removed this protection by order in council. The question is: Why did they remove it? Simply because strong pressure was brought to bear from the free trade section of the Liberal party headed by the so-called consumers' league. I feel sure this particular body has not changed its views in regard to protection; at least we know it had not changed when the application of this industry was before the tariff board, because it opposed that application very strenuously. Nevertheless, the consumers' league has not raised a voice in protest during the present debate. What has happened? Has some kind of truce been declared or agreement entered into between this government and this group? Is it possible that the consumers' league has agreed to permit the government to grant these increases in tariff with the understanding that after the election they will be reconsidered and possibly removed? If this be the case, all I have to say is that the consumers' league is taking big chances, because I do not think the present government will ever have an opportunity again to remove the protection from this industry. The growers will do their part to see that there is returned a government which they can trust.

Relief to the poultry industry has not been given by the raising of the Canadian tariff on eggs in the shell. This tariff still remains the same: British preference, two cents; intermediate, two and a half cents and general tariff, three cents, but provision is made for what is termed a countervailing duty. That is:

> Provided that, if any country imposes upon eggs in the shell produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon such commodities entering Canada from such country.

This means that the tariff of a foreign country applies.

I might also mention another product to which this provision has been applied, and that is potatoes. Prior to the present budget the general tariff on potatoes was thirty-five cents per hundred pounds. That has been removed and potatoes appear on the Canadian tariff as free under the three rates, but the same countervailing duties have been applied. As I said, this is a tariff set by a foreign nation, or, as we might as well admit, the United States. It is a Washington-made and controlled tariff. I say "controlled" because it must be borne in mind that power is vested in the president of the United States to raise any tariff by 50 per cent, or to lower any tariff by 50 per cent at any time. This power was exercised a year ago. On May 14 of last year the president of the United States exercised this right and raised the tariff 50 per cent on milk and cream. What the poultrymen of this country want is a Canadian-made and a Canadian-controlled tariff.

During the last four or five years we have hammered this into the government from this side of the house and demanded for this industry a protection of at least eight cents per dozen. You will recall, Mr. Speaker, that this matter was brought forcibly to the attention of the house on March 17 last when under a motion to adjourn moved from this side of the house protection was urged for this industry. The opposition came from the Liberal ranks. On that occasion I drew to the attention of the government the unsatisfactory condition of the poultry industry. I pointed out that in 1928 fifty per cent of the total importations for that year were dumped on the Canadian market in one month, and that in 1929 seventy-five per cent of the total importations were dumped on the Canadian market in one month, that of March.

What has been the action of this government in the matter of this dumping? All hon. members of this house will remember that in January, 1927, a dumping duty was imposed on imported eggs. This was successful in checking the wholesale importation of eggs at low prices but allowed eggs to come in freely when the price rose above 45 cents a dozen, thus giving relief to the producer and working no hardship on the consumer. The operation of this dumping duty was withdrawn by this government by order in council on March 29, 1928, and we all know that prices at that time did not justify such action on the part of the government. The Conservative party have continually urged for better protection for this industry. On May 14, 1928, an hon. member from this side of the house introduced a resolution urging the restoration of the dumping duty, and a division was taken upon that motion on March 16. I would ask hon. members to turn to page 3081 of Hansard for that year, where they will find recorded the vote on that division, and they will see that every Liberal member of this house voted against the restoration of protection for this industry.

But on the eve of a general election this government brings down protection in the form of countervailing duties. I say to the poultrymen of this country: Consider the record of this government in dealing with the problems of your industry. Are you going to

trust them in the future, or are you going to look to the party that believes the Canadian market must be preserved for the Canadian producer?

This budget also provides relief for another branch of agriculture, the dairy industry. The government have told us that they have notified New Zealand that the treaty arrangement with that country will be cancelled on October 12th next. The tariff has been increased, but the harm did not come from the general tariff. It was the New Zealand treaty entered into five years ago that was responsible for the sad condition in which the dairy industry finds itself to-day. With the lowering of the duty on butter to one cent a pound in 1925, butter importations into this country have rapidly increased. In 1925 we imported about 7,000,000 pounds of butter, and for the twelve months ending March of this year these importations have increased to 42,000,000 pounds valued at $15,000,000. Just to show you how rapidly this importation has grown, may I point out that it increased by $5,000,000 in one year as compared with 1928. Bear in mind what the importation of this quantity of butter means. Forty-two million pounds of butter is the product of 10,000 ten-cow farms, or 100,000 high-grade milch cows. Those who have opposed relief for this industry have continually quoted the price of whole milk, but any one familiar with the industry knows that the whole product cannot be disposed of in that form. It is necessary that the farmer should have a profit on the products of milk, such as butter and cheese. Conditions in the industry are such to-day that it does not pay to make butter or cheese, and the farmer is consequently losing the by-products of butter making. Dairy herds have in consequence decreased and our farms are losing their fertility. It affects the production of poultry on the farm. It has greatly affected our pork exports, which were very large a few years ago, but which have been gradually disappearing, falling from $27,000,000 in 1925 to $10,000,000 in 1928. The tariff tinkering and the treaty making of this government are responsible for this condition and the Canadian farmer is the victim.

Strong appeals were made from this side of the house during every session since 1926 down to the present to have the government cancel or amend this treaty. There were also protests in the form of resolutions and delegations from the dairy organizations throughout the country urging the abrogation of the treaty, but to all these representations the government turned a deaf ear. To-day, on the eve of the general election, the government comes through with a statement that the present arrangement will terminate on October 12th next. I fear that it is too late. The dairymen of Canada have suffered for five years under the policy of this government and they are not going to be hoodwinked into supporting them by offers of relief at the eleventh hour. They will look to the Conservative party, I believe, whose policy is the Canadian market for the Canadian producer.

Protection must be given to the three industries I have mentioned, namely, the fruit and vegetable industry, the poultry industry and the dairy industry—protection sufficient that these industries may enjoy to the fullest extent our own Canadian market. For this purpose we have in Canada to-day three tariffs—the British preferential, the intermediate and the general tariff. In addition we have a provision in the statute for the imposition of a dumping duty. But we find that in this budget provision is made for a fourth tariff, applying exclusively to a list of articles coming from the United States. This is uncalled for. The Canadian people are not aiming to hit the United States or any other country. They are concerned solely to benefit this Dominion and to promote closer trade relations with the empire as a whole. We have no particular grudge against the United States, but we do believe that Canada through its own tariff should control its own home market just as the United States controls its own home market. The countervailing duties are not in the best interests of Canada.

There is another matter that is of vital importance to those in my particular district who are engaged in farming. It is a matter to which I have directed the attention of the house on several occasions, and one which I believe has been before this government for the last six or seven years. I refer to the question of freight rates. As I mentioned before, a large section of the province of British Columbia is engaged in the dairy industry; another large section is engaged in the poultry industry, and we require all kinds of feed. The farmers of the prairie provinces have that feed for sale, but when we want a carload or two of feed grain in our district we have to pay over double the freight rate that is charged on export grain. The rate on domestic grain from the prairie provinces to Vancouver to-day is 41½ cents per one hundred pounds, while the export rate is 20 cents. This we claim is a great injustice to the farmers in our province and demands a remedy. When we approach this government on the matter they say: it is in the courts. True, the province

of British Columbia have had from 1922 up to 1928 a legal man looking after their interests at Ottawa, and I understand that between $100,000 and $200,000 have been paid in the way of legal expenses in order to fight for the rights of our province. But up to the present time nothing has been done, and it is now up to the government—in fact, action is long overdue—to step in and correct this inequality of freight rates.

We have heard a great deal about the British preference. As Canadians we should and we must give preference to trade within the empire; but, as my leader has said, only up to the point where such preference does not interfere with our own Canadian industry. Further, this preference should be reciprocal. I have in mind an industry of this country that is suffering to-day because of the unfair British preference as well as the general tariff. I refer to the hop-growing industry, which owing to climatic conditions is confined to one part of Canada, the lower Fraser valley of British Columbia. The production of hops in this area under favourable conditions is about 2,000,000 pounds a year and gives employment to a large number of people. The Canadian tariff on hops is the lowest in the world, being 4 cents under the British preferential and 7 cents under the general tariff; while the British tariff against Canadian hops is 17½ cents, the American tariff is 24 cents and the Australian and New Zealand tariffs are also 24 cents a pound. I should like hon. members to bear in mind the fact that our British preferential tariff is only 4 cents while the British tariff against us is 17½ cents. Up to the time when the British tariff was imposed we enjoyed a considerable export business to the British isles. Since that time this industry has had to look to Canada as the market for its entire crop. The total consumption of hops in Canada is about 3,000,000 pounds a year, and if this industry was given a fair deal it could supply a large percentage of the Canadian requirements. No hop-growing country is able to grow hops in competition with all the other hop-growing countries of the world, because in most years one or more countries have large exportable surpluses, which are dumped upon such countries as do not adequately protect their hop growing industry.

This industry appealed to the Minister of Finance in 1925 for relief, but as the Liberal party at that time was a party of "low tariff," relief in the way of protection could not be given. A conference was arranged and an agreement entered into between the buyers and producers of this product whereby the former agreed to take the Canadian crop at a certain price during the years 1926-27-28. The growers were unable to renew the arrangement and quite naturally again appealed to this government. I was in hopes, since our friends opposite had changed their policy from that of low tariff to one of protection, that this industry would have received some consideration. The condition of this industry to-day is very serious. One of the growers writing to me states:

> The position in regard to hops is becoming daily worse; there are enormous hop surpluses now in every hop growing country, and I do not see where the next British Columbia hop crop can be marketed, even at a loss.

Another branch of the agricultural industry that should have received consideration at the hands of this government is the tobacco growing industry. This industry has spent considerable money in presenting its case to the tariff board, and it went to great trouble to place the whole matter before the government. According to our trade returns we imported from the United States last year about 18,000,000 pounds of unmanufactured tobacco, free of duty. Tobacco growing has become a very important industry in this country and should be encouraged. The acreage in my own district has more than doubled in one year. These growers have a great problem in marketing their product and are certainly entitled to relief either through the tariff or through the excise tax.

There is one resolution of the budget that will receive my support, namely, the one providing for "exemption from income taxes of cooperative associations." This is a matter that has been before the courts during the last few months, and I think in almost every case decisions have been rendered in favour of these associations, with perhaps one exception, the Fraser Valley Milk Producers' Association. I may say this is a bona fide cooperative association with a membership of 3,000 dairymen, selling milk and its products for its members and returning the proceeds after deduction of its actual expenses. It is a non-profit-making organization. The adoption of this resolution will clear the air and I trust provision will be made for the withdrawal of the demand by the Department of National Revenue on this particular association for this tax dating back to 1923.

In conclusion, Mr. Speaker, I must say that I am convinced, knowing well the policy of the Liberal party, that these matters of relief provided for in this budget are dictated by expediency rather than by conviction. Coming as they do on the eve of a general election, it must be quite apparent to the people of this country that the budget is purely and simply an election budget designed for the sole purpose of getting votes and securing another lease of power.

Mr. J. A. BRADETTE (North Temiskaming): Mr. Speaker, at the outset let me say that I am unhesitatingly and wholeheartedly in favour of the budget. It is an outstanding budget that will go down in our political history as "the 1930 budget," and it will be an epochal one, the same as the 1903 budget was. It is typical of the budgets that the Canadian people have become used to during the last nine or ten years. The Robb budgets made a strong appeal to the people, and I believe the principles that he applied so effectively have also been applied by his successor, the present Minister of Finance (Mr. Dunning), and I feel certain that the Canadian electorate will remember this as the Dunning budget. It has been enthusiastically received in every section of the country, both by the press and the people.

There are a few salient features in this budget that are as clear as crystal. First of all, there is a reduction of the national debt; second, a decrease in taxation; third, there is an enlargement of the British preference, and fourth, an expression of our willingness to deal with nations that are willing to deal with us on even terms. I believe that these four points alone are sufficient to commend this outstanding budget to the people of Canada.

We see in the budget—and the opposition has seen fit to criticize it—some of the wonderful work done by the tariff advisory board. It is a comprehensive study of the economic and industrial situation. The tariff board, wielding no power it self, but patiently sifting facts, becomes a highly successful institution. In this connection may I quote from the issue of Saturday Night of the 10th instant:

> The tariff board is comparatively young and in this budget for the first time has been able to show the fruit of its labour. Its chairman, Mr. W. H. Moore is credited with having given great aid to the Minister of Finance in preparing the new schedule, and in connection with the steel industry alone has shown great ability in straightening out a complex tangle of opinion.

On that score alone we can readily understand that some of the Conservative papers are more fair minded than are the official opposition in the house in discussing the budget items. There are so many items in the budget that it is impossible to deal with them in detail. No doubt they will be fully discussed in committee and before the country.

We have heard a lot of talk in this house of free trade and high tariff parties. I for one, after listening to a good many budget debates, am firmly convinced that there is no such person as a free trader to be found throughout the length and breadth of Canada, and I am also positive that there are no high protectionists in this country. Not later than last fall the leader of the opposition (Mr. Bennett) said that the Conservative party was not a high protectionist party. We all know that free trade is absolutely a theory, impossible of practical application in this country. If there were any free traders they would come from the part of northern Ontario that I have the honour to represent, for the very simple reason that what we produce must find an outlet in the markets of the world, and all the commodities that we need we must buy in the large industrial centres, such as Winnipeg, Montreal and Toronto, etc. But we are logical enough to realize that as long as the government needs a certain amount of funds for administration purposes it must get some of those funds from indirect taxation, and some from direct taxation. There is no conflict between protection and free trade. There is no free trade party in Canada. It is a question simply as to what tariff protection is necessary for Canadian development. There are people who want a tariff for revenue only, and there are people who want a tariff for robbery only; a very few want no tariff at all. However, between and apart from these schools stand the mass of Canadians who want a development tariff. They are not interested in protection for protection's sake; they are not interested in protection for a few manufacturers' sake, but they are interested in it and believe in it solely for Canada's sake. They want it because they want work for Canadian workmen, purchasing power for Canadian people, home and outside markets for Canadian farmers, traffic for Canadian railways and development for Canada as a whole. However, belief in a fiscal policy is not sufficient. Canada now realizes that this government will apply fiscal policies consistently and fairly, when and where they are needed, regardless of expediency or votes. Protection ought not to be subject to the whims of men who are the champions of tariffs which might have been applicable for 1878, 1896 or 1921, but certainly not for 1930. This is the situation as Canadians throughout the length and breadth of this country understand it.

Following this thought I wish to quote a comment as it appeared in the Saturday Night:

> Undoubtedly Hon. Charles Dunning, after a little more than six months' experience as Minister of Finance, has scored a coup in

framing a budget which in its main principles undoubtedly reflects the sentiments of Canadians as a whole. It is impossible for a budget to satisfy everyone; it has never been done and never will be done.

I wish to read the following citation from the Globe of May 6, 1930:

It is humanly impossible to frame a tariff to please every one. What is one firm's finished product is the raw material of another. It is a nice problem to decide when the country benefits more by conserving home payrolls and paying, possibly, a slightly higher price for the commodity than by sacrificing the workman and giving the ultimate consumer the advantage. One guiding point the government has is the established fact that, given volume business, Canadian manufacturers have the ability to meet competitive prices; then it becomes a question of encouraging methods to get the volume. Another guide is the knowledge that trade creates wealth. Hence, with reciprocal trade arrangements between empire countries as the great objective, and increased general prosperity the inevitable result, it becomes a matter of encouraging volume in each country, that purchasing power and trade may be enlarged. Apparently the government has had all this in mind in dealing with the complex situation.

One of the impressive features observable in connection with the budget announcements is that little criticism had been heard at home and nothing but praise has come from Great Britain. Even Mr. J. L. Garvin, in the weekly Observer, who a few weeks ago commended the Liberalism of Mr. Lloyd George to the British people, declares that "the Canadian budget is one of those rare strokes of policy which illuminate the realities of empire." If only all political parties throughout the British Empire would drop their preconceived and traditional fiscal theories long enough to examine the significance of this Canadian gesture in the light of empire realities, the dawn of a new era would be at hand. And this applies to the Canadian opposition as well as to governments and opposition parties elsewhere. Mr. Bennett's declaration that he is "in favour of every proposal that will make for the advancement of Canada as an independent economic unit" is as short-sighted at this time as the other extreme which sees no good in an empire country and applauds all and sundry to the limits of Siberia and Timbuctoo.

As to countervailing duties, the leader of the opposition (Mr. Bennett) said that it was a retaliation of the "brick for brick" policy as enunciated by the Right Hon. Arthur Meighen. Just a few days afterwards, speaking on the same subject, one of his first lieutenants, the hon. member for Vancouver Centre (Mr. Stevens), said that it was a mere gesture of retaliation, and that it was not strong enough. Those utterances, coming from the opposition and showing conflict within their ranks, clearly signify that the opposition fully realizes that the government is dealing in a national way with the situation in hand.

I am going to read an article from the Toronto Globe under the heading "More Political Humbug."

The political ways of a newspaper organ are tortuous and confusing when it tries to keep step with the expediency movements of the masses, but it must be exceedingly difficult for a Montreal-owned Toronto-printed publication to adjust itself rapidly enough to meet all emergencies. The strain on the Mail and Empire, indeed, must be terrific, if one may judge by the number of somersaults it seems obliged to take.

Yesterday the chief St. James street organ in Ontario exhibited a feeling of tender regard for the people of the United States by publishing a leading editorial under the heading: "Crude and Rude Is the Countervailing Duty," remarking that "our neighbours have reasonable ground for complaint against the Dunning tariff for the discrimination it makes against their country in what is called the 'countervailing duty.'" No fault could be found with an expression of friendliness for a neighbouring country; Canadians have no other attitude. But can such an expression be considered sincere when it comes from a source which less than a year ago was howling loudly against the American tariff proposals, calling for retaliation, and demanding that parliament show that it would not stand for such treatment without prompt reprisals?

This is the tragedy of it—here to-day and there to-morrow. What a humbug on its readers, and, in this case, on the people of the United States if any of them pay attention to it.

During last year's session and afterward the Mail and Empire published editorials almost daily severely criticizing the King government for being too considerate of the United States. On June 21, 1929, it even called inferentially for countervailing duties when condemning the speech of Hon. Mr. Lapointe at Grand Bend. "So," it remarked ironically, "there are to be no countervailing duties against Uncle Sam's tariff increases on products of this country. He is to have the same wide-open door into our market." On May 6, 1930, it says: "He (Mr. Dunning) ought to be able to manage better than to leave the impression on the neighbouring country that Canada has a special grudge against it," although Mr. Dunning's speech made no reference to the United States or any other country. Again: "Its countervailing duty is simply a piece of clumsiness, which seems the more unaccountable because of the government's frequent declaration that its tariff policy will not be one of reprisals against the United States."

Apparently the Mail and Empire was not worrying like this when it published the following on July 26 last:

How ridiculous it would be for the United States, or for any of that country's apologists in Canada, to say that any policy pursued here as the result of the reactions of Washington's tariff revision would be a consequence of rancorous Canadian feeling. As the United States finds it advisable to adapt its tariff to conditions in its own and other countries, so must Canada be free to do likewise when one of the paramount conditions to be met is of the United States' creating.

On July 12 it wanted to know, "Why is the King government giving silent consent to the United States boycotting of Canada's farmers? Four days later it said:

The most direct way of grappling with the problem would be to make reasonable endeavours to avert the ill consequences that are staring our farmers in the face. But the King administration has made known to the people of Canada, and to the world at large, that, however it may govern itself accordingly, it will not do anything by way of retaliation. . . . Canada must have a government that will be its champion, and not the servile instrument of the United States.

And as the countervailing duties designed particularly to protect the farmers of Canada are now called "crude and rude," on June 25 last year the Mail and Empire gibed at the government because it would not adopt "anything so rude as retaliation." On that occasion its comment was:

What a jumble of confessed cowardice, of hypocritical empire sentiment, of pretended moral feeling against anything so rude as retaliation, of servility to the United States, and of sincere zeal for free trade, is the government's advertised stand in regard to the situation the Washington tariff-makers have created.

In view of these criticisms and more like them, before the Dunning budget was framed, it is impossible to find any sincerity in the present criticism which declares "our neighbors have reasonable ground for complaint for the discrimination it makes against their country."

I know some hon. members, who last year were concerned in a certain movement looking to an increase in their indemnity, who would not have been sorry had the government adopted the principle suggested by the leader of the opposition, that we should sit here until the United States established their new tariff. Certainly that would have brought us a certain amount of extra money last year, which would have been welcome to many of us. Every one knows that congress has been working on the tariff revision for almost two years, and practically nothing has been done as yet. The leader of the opposition seems to think that the application of the countervailing duties would give too much latitude to the government on account of the rapidity with which certain items might be changed in the United States tariff schedule. We do not need to entertain any fear on that score, for the good reason that both houses at Washington have been working overtime for nearly two years, and so far practically nothing has been accomplished.

I have already said that this budget is very popular. In the Toronto Saturday Night of May 10, there is an article by Mr. P. M. Richards, which ends as follows:

Excepting for the fact that the new budget involves many more reductions in the tariff than increases, which in broad principle, is inimical to the best interest of the Canadian industrial fabric, in a general way Mr. Dunning's budget will no doubt be well received, and is outstanding in its wide departure from many of the more or less conventional budgets of the preceding years.



We have had the spectacle, during the discussion of the budget, of hon. gentlemen opposite calling this a high tariff budget and the opposition in the southeast corner calling it a low tariff budget. We know the people call it just a national, good Liberal budget, and they are satisfied with that. The following comment appeared in the Toronto Globe on Thursday, May 8:

It is unfortunate indeed that the great Conservative party has to be hampered with leadership which condemns another party for attempting to improve its policy while itself adhering to a circumscribed rule-of-thumb idea which is palpably ineffective as well as narrow-visioned. Mr. Bennett, of course, will have to explain on many an occasion what he conceives the British Empire to be "next to Canada," why he does not regard Canada as part of the empire. And he will also have to explain how Canada can shut herself up in a shell and exist, where the farmers of the prairies are going to market their wheat, and what the manufacturers are going to do with their $4,000,000,000 worth of products.

Why should it be called a high tariff budget, when we have increases on only 100 items while we have decreases on 414 items, giving as a ratio of decreases to increases of over four to one? Really no one who knows anything about figures will try to make this out to be a high tariff budget. It is a low tariff and a national budget.

I listened with a great deal of interest to the financial critic of the group in the southeast corner, the hon. member for Wetaskiwin (Mr. Irvine). Before I came to this house I was told that the hon. member was a wonderful orator, and I was not disappointed when I heard him speak. He has very complete mastery of the English language and is a born orator, but at the same time I have to ask myself whether the hon. member really believes all the theories which he advances. This evening I was reading an editorial commenting on the speech delivered by the hon. member, which stated that it was too bad that the rules of the house would not allow such a man as the hon. member for Westaskiwin to speak for more than forty minutes upon such important matters. During the course of my hon. friend's remarks he said he could see no leaders who could put into effect his ideas on the government side; he intimated that there was no leader on the Conservative side, so naturally we were to infer that the hon. member for Wetaskiwin was to be the man who would lead the Canadian nation into realms of great happiness and an arcadian period.

Mr. IRVINE: Hear, hear.

Mr. BRADETTE: I hear my hon. friend applauding. I remember this year, during the discussion in connection with the construction of a trans-Canada highway, hearing the hon. member for Wetaskiwin state that if the government did not have enough money to build this road, the war debt might be cancelled. I can see what a wonderful thing it would be if we had a minister of finance like him. We, would have no taxation; we would not worry over debt; this would be the best part of the world in which to live. He would forget all about the war debt and the national debt; he would do away with taxation of all kinds. These are some of the theories to which we have to listen, and I must say if I attempted to advocate these theories I would be well defeated, and rightly so, in my own constituency. I hope the Ottawa Journal, which contained the editorial to which I referred, will get the hon. gentleman to tell this government how to wipe out all these debts, which certainly would be a wonderful thing for Canada, but I doubt whether it will know how it could be done after listening for one hour to the absolutely impracticable theories of the hon. member.

Both the amendment and the subamendment are negative in themselves. As I said at the beginning of my remarks, I think if hon. members of this house could vote according to their own ideas the budget would be adopted without very many adverse votes. An hon. member of this house once said that if hon. members could do as they wished, without the whips assisting them, the results of some votes in the house would be very different, and I am sure if we had no whips the members of the opposition would gladly vote for this budget. We have been told that this is a high tariff budget, but we heard the same story in previous years; last year the Conservatives said we brought in a high tariff budget because we had collected in customs duties nearly $300,000,000. This is not a new story at all. I well remember the hon. member for South Wellington (Mr. Guthrie), the financial critic of the opposition, criticizing the elimination of the tax on Pullman tickets, stating that Pullman travel was a luxury. It is not a luxury at all for those of us who have to travel great distances across this country.

The leader of the opposition ridiculed the idea of removing the duty on tea. Certainly tea is not a luxury. Perhaps if it were consumed in Ontario only a reduction in price might mean a loss of revenue to the liquor commission here, but tea is used all over the country. I know that throughout Canada the housewives are absolutely satisfied with the situation. This afternoon it was stated that the decrease in the price of tea was only 10 cents and not 15 cents. The day after the budget was delivered advertisements appeared in several papers stating that the prices of certain lines of tea would be lowered by 15 cents, and certainly that is a benefit to Canada as a whole.

As the budget affects northern Ontario I must say it is very popular. We are especially gratified with the readjustment of the scale of taxation on the sale of shares, which will materially affect the transfer of shares of no par value. The mining industry is satisfied with the present situation. Last year during the budget discussion I was amazed to hear it suggested by hon. members opposite that we should have a high tariff against mining machinery brought in from other countries, and I was further amazed at a resolution passed last year by the Canadian Manufacturers Association at their annual convention held in Nova Scotia, to the effect that the government should increase the tariff on mining machinery until Canadian industry could supply the demand. It would be a fine thing to have the development of our mining interests in the Porcupine district, the Sudbury district or the newer mining areas in Manitoba and Saskatchewan wait until the machinery could be supplied by Canadian industry. We cannot wait; we must have that machinery when new mining areas are to be developed. We are coming more and more to the point where our mining machinery can be supplied in Canada, and eventually our Canadian companies will be able to supply that demand, but we should not be expected to hold up the development of these areas until that time arrives. In the meantime we must go ahead with the development of our mines.

One item in the budget which makes a very strong appeal to the people of northern Ontario is the enlargement of the British preference. They were amazed by the remarks of the hon. leader of the opposition in this regard. We will be able to attend the imperial conference with something more definite to offer to the British commonwealth of nations. The hon. leader of the opposition has offered an amendment which is absolutely negative, which really shows that his party is in favour of this budget. The Canadian people are well aware of the present situation.

Another thing which amazes me is the blue ruin talk which we hear from the members of the opposition. The leader of the opposition was on the same platform the other day

with the Premier of Ontario, the Hon. Mr. Ferguson. He spoke of the blue ruin which was facing Canada, and yet five minutes later the premier stood up and said that Ontario was prosperous. We know that that province is well administered, and it is hard to understand the leader of the opposition on the one hand saying that the country is faced with blue ruin while the premier of the province, on the other hand, states that that province is absolutely prosperous. Ontario is a part of Canada, and should be considered as such; and in this matter we are more inclined to listen to Premier Ferguson than to the leader of the opposition. When a new hotel was planned to be built in Toronto, a member from that city said that it was not necessary because foreigners were going to use it exclusively to sell their wares to Canadian people and that in turn would force our people to leave the country. However, when we visit Toronto to-day we patronize that new hotel and find it well filled and really we of northern Ontario cannot be called foreigners even in Toronto.

The hon. leader of the opposition referred to the steel industry, and stated that if an increase in duty were allowed on these products certain plants would increase their capacity. The steel plant at Sault Ste. Marie is erecting new buildings, but the hon. leader of the opposition is fully aware that that has been under consideration for some time. Those buildings are not being erected because of an increase in the steel tariff, but because this company is fully aware of the modern situation and it has spent hundreds of thousands of dollars in increasing its plant capacity. New industries are being born, not only every year but every week. The reports issued by the presidents of the Canadian Pacific Railway and the Canadian National Railways show that not only dozens but hundreds of new industries have been born during the last twenty-five years.

It is impossible to have a tariff which will please everyone. The hon. member for Last Mountain (Mr. Fansher) offered a sub-amendment asking that the British preferential be increased on textiles, while, on the other hand, the Conservative opposition are asking for more protection on this commodity. Some people claim that the woollen industry is not prosperous. The following is a despatch from Arnprior which appeared in the Ottawa Journal of October 2, 1929:

> Kenwood mills, one of Arnprior's principal industries, is being considerably enlarged to take care of the increasing business which the company is doing and there is keen satisfaction amongst the townspeople at this indication of the growing importance of Arnprior as an industrial centre.
>
> An additional structure 150 feet in length and 60 feet wide is now being built to the main plant, brick and steel being utilized in the creation of a modern factory building. The cost of the work will be between $40,000 and $50,000 and it is being done by men in the employ of the woollen company.
>
> Several residential buildings are also being constructed by the same company, work on five dwellings now being in hand. They will be for the accommodation of the plant superintendent and other officials.
>
> Plans for the factory addition and the houses were drawn by Cecil Burgess, architect, Ottawa.

That would seem to show that some branches of the woollen industry are in a prosperous condition. I visited Arnprior last summer and I was surprised at being told that not a single pound of Canadian wool is used in that plant. The superintendent told me that every pound of wool used in that plant comes from Australia or New Zealand. That would go to show how hard it is to apply duties in order to satisfy everyone. That plant is absolutely prosperous and is increasing its manufacturing capacity.

Mr. EVANS: Will the hon. gentleman permit a question?

Mr. BRADETTE: Certainly.

Mr. EVANS: Why do not our manufacturers buy Canadian wool?

Mr. BRADETTE: Not being an expert in that line, it is impossible for me to give an authorative answer to the hon. gentleman. I understand, however, that that company do not utilize one pound of Canadian wool because they cannot get in Canada the quality required for the manufacture of their goods. If the hon. gentleman asking for more protection for the woollen industry desire to see an industry which is so prosperous that it is forced to increase its capacity, they should go to Arnprior and see the Kenwood mills.

This tariff must be considered in the same way as we would consider a forest. It may be possible to find one tree in the forest which is defective, but the forest as a whole is good. The same with the budget; one item may not give satisfaction but it should be considered as a whole.

I do not think anyone can quarrel with the Minister of Finance in the concluding paragraph of his budget speech. The opposition accuse the government of insincerity, but I believe that the worst enemies of members of parliament are the members themselves. They hurl accusations at one another and in

time begin to believe that there is no sincerity. The political history of Canada shows that in both Liberal and Conservative administrations there has been plenty of honesty and sincerity. Here are the closing words of the hon. Minister of Finance:

These tariff favours to those who favour our products are not the result of any bargain with any other country but of an attitude in international relations which we believe to be mutually beneficial and are an expression of the spirit in which Canada will approach the Imperial economic conference in a few months time. In other words we do not intend to meet the other countries of the British commonwealth of nations in a spirit of petty bargaining but rather in the broad spirit of willingness to become in ever increasing measure good customers to those who treat us in like manner. This is the spirit in which we desire to meet all nations, but we believe that within the British community of nations lies the greatest measure of opportunity for mutual development of trade because of our common heritage, kindred institutions and a common patriotism.

What have our Conservative friends to offer to the imperial conference? Surely not only that negative amendment presented by the leader of the opposition, because there is nothing constructive in it. There is nothing in it which the British commonwealth of nations could consider or discuss.

The Canadian people are fully aware of the present situation and I am positive that they will be overwhelmingly in favour of the present Liberal administration. I am convinced that the Canadian people will return this Liberal government to power because of its past records. It has inspired general confidence because of its ability to solve the almost insurmountable problems which it has had to face. It has the confidence to-day of the labourers, the farmers, the industrialists and the financiers; in a word, the confidence of every section of the population. Using the words of the Prime Minister uttered at Winnipeg, it has legislated not for one class but for all classes; not for a favoured few, but for the greatest good to the greatest number. Whatever the United States or any other country may do in tariff matters, we believe that our country has reached a stage in its development where it will be able to look after itself. Canada will make its own tariff and find its own markets. An editorial which appeared in the Ottawa Journal of July 25, 1928, is proof that the Prime Minister is worthy of being the representative of Canada at the next imperial conference. The editorial is as follows:

The Prime Minister for Geneva

Announcement that Mr. Mackenzie King will go to Geneva personally to represent Canada upon the council of the League of Nations on the occasion of its meeting in August, ought to be received with hearty commendation by all Canadians irrespective of party. For Mr. King will not, we are sure, journey to Geneva and speak and act there as the leader of a party. He will go, we think, as the Prime Minister of Canada, with a consciousness of the dignity and the responsibility of that office, and he will speak, we believe, not as a Liberal partisan, but as the representative of the whole Canadian people.

The Journal is not ashamed nor afraid to say that, in its judgment, Mr. King is in every respect well equipped to represent Canada with high honor and ability. This newspaper, in common with hundreds of thousands of other Canadians, has frequently and vigorously and honestly disagreed with Mr. King upon a multiplicity of things, and it has not infrequently said things about him in the heat of partisan conflict which were perhaps more vehement than just.

That, however, does not prohibit our saying now that, in many fields and in most respects, Mr. King, like all of his predecessors, has shown himself mostly well equipped for the demands of his office. In the field of imperial and foreign affairs, in particular, Mr. King has revealed an informed interest and an outlook that challenge respect. Some among us may think that in some respects he is too greatly influenced by a narrow nationalism that is antagonistic to the ideal, cherished by most Canadians, of earnest and sustained and proud cooperation with the rest of the British Empire. That, however, is but a matter of opinion, and it must be confessed that, in most regards Mr. King, subject to the exigencies of politics, has shown himself to be a good Canadian and a good Imperialist, one who believes with Sir Wilfrid Laurier that Canada answers to a higher destiny than a mere mythical independence or a narrow nationalism.

To Geneva, at all events, he will go with the best wishes and the support of the majority of his countrymen. In has been this country's good fortune to have been represented abroad, both at London and elsewhere, by men who reflected credit upon the Canadian name. It was so, in the old days, when Sir Wilfrid captured the hearts and the imagination of the British people with his compelling personality and charm. It was so when Sir Robert Borden wrote Imperial history by his contributions in the war cabinet, and later on at Versailles. And it was so when Mr. Meighen, fighting almost single-handed, but with his conspicuous courage and ability, helped abrogate the Anglo-Japanese alliance and paved the way for the Washington disarmament conference.

Mr. King, we feel sure, will worthily uphold this tradition. In the field of Imperial and foreign affairs, Canada, as far as is possible, should try to speak with a united voice. That has been the policy and the strength of Britain for more than two hundred years—the policy of Britain whether a Conservative or a Liberal or a Labourite was at 10 Downing street—and it ought to be the policy of this Dominion. Let all of us, therefore, dispense with partisan considerations in our attitude toward Mr. King so long as he is abroad as the spokesman of this country. The Journal, for its part, sincerely wishes for him a pleasant journey and everything of usefulness and opportunity in the mission which he has undertaken.

That article was rather well written and I believe it was making not only a declaration as to certain activities of the Prime Minister in 1928, but also a kind of prophecy that he would go to the economic conference in 1930 as the representative of Canada.

Under his direction, even during the years affected by war depression, the country knows that he was worthy of the confidence placed in him. And now that our young nation has its face turned towards the future and is basking in the light of peace, prosperity and contentment, nowhere will the sun be shining on a more contented people or on a happier land.

Mr. J. A. FRASER (Cariboo): Mr. Speaker, I propose for a few minutes to deal with the statements made by the Minister of Finance (Mr. Dunning) in regard to the financial condition of the country. We are well aware that in connection with dealing with any financial statements, two classes of liabilities must be taken into consideration: first, our direct liabilities, and, second, our indirect liabilities. The Minister of Finance in dealing with the financial affairs of the country dealt only with our direct financial responsibilities. I wish to put upon record our indirect responsibilities or the amount of money for which we are responsible so far as the Canadian National Railways are concerned. I take the following figures from the financial report of the Canadian National Railways:

| | 1925 | 1929 | Increase |
|---|---|---|---|
| Long-term debt | $823,099,056 | $1,122,559,492 | $299,460,436 |
| Current liabilities | 40,859,665 | 92,701,349 | 51,841,684 |
| Unadjusted credits | 20,835,114 | 27,000,614 | 6,165,500 |
| Total increase | | | $357,467,620 |

On the other hand we had the following decreases:

| | 1925 | 1929 | Decrease |
|---|---|---|---|
| Liability to the Dominion of Canada, eliminating the interest which is due on outstanding borrowings | $1,026,620,838 | $1,018,596,222 | $ 8,024,616 |
| Deferred liabilities | 11,205,429 | 4,800,661 | 6,404,768 |
| Corporate surplus | 5,147,861 | 4,351,342 | 796,519 |
| Total decrease | | | $15,225,903 |

If we subtract the decreases from the increases, this leaves a net increase in the liabilities of the Canadian National Railways for which we are responsible, and every single dollar of which we have guaranteed, of $342,241,717.

Mr. BOTHWELL: What is the capital expenditure in that same length of time on the Canadian National Railways?

Mr. FRASER: That includes the capital expenditure and everything else. I am talking about the balance sheet of the Canadian National Railways as presented by the company in the report we have before us.

Mr. BOTHWELL: The hon. member has not the figures to show what the capital expenditure was in the period covered by his figures?

Mr. FRASER: I am sorry I have not. I did not take account of capital expenditure. Let us hope they were all capital expenditures and they all increase the standing of the Canadian National Railways in that regard. I am only pointing out the increase in the liabilities of this country so far as the Canadian National Railways are concerned. In addition to that I wish to give the following figures:

Accumulated interest due the Dominion of Canada by the Canadian National Railways on moneys advanced to them

| 1925 | 1929 | Increase |
|---|---|---|
| $161,861,502 | $290,088,439 | $128,226,937 |

Adding those two amounts together, we find that the increase of debt was $342,241,717, and the increase of interest, $128,226,937, or a total increase in the liabilities to the Canadian National, so far as the Dominion is concerned, of $470,468,654.

The total amount which has been claimed by the Minister of Finance as a reduction in debt is $257,800,000 in the past five years, which is the same period for which I am giving the figures in regard to the Canadian National Railways. That means, analyzing these reports in any intelligent way at all, that so far as the Dominion of Canada is concerned her total actual liabilities, direct and indirect, during the last five years have not been reduced by $257,800,000, but have been increased by $213,500,000, roughly speaking.

So that instead of this government reducing the debt of this country, they have increased it by the amount of $213,500,000.

Now I turn my attention for a few minutes to a brief review of some balances of trade for which this government must hold itself responsible. For a favourable balance of trade, the government must be given credit; if it is not favourable, the government and its policies must to some extent be held responsible for the balance being on the wrong side of the ledger.

I find that in 1929 we had a favourable balance of trade of $123,158,329; that was our favourable visible balance of trade. In the fiscal year 1930, just ended, I find that we had an unfavourable trade balance of $103,300,000. This makes a total alteration in the trade of this country in the space of the last twenty-four months of $226,458,329. I submit that any government which is responsible for any change for the worse of that magnitude in that short space of time, surely must be held accountable to some extent for the unfavourable showing.

Analyzing the reasons for this great change in our trade, I find that our total imports in 1929 amounted to $1,265,639,000. In 1930 our total imports amounted to $1,248,239,000, a decrease, it will be noted, of $17,400,000, or 1.4 per cent. Let me point out also that all this decrease occurred during the three months of the present calendar year, or during the last three months of the fiscal year just closed, because at the end of December, 1929, our imports had increased by $76,675,330, or 6.3 per cent, over those of the calendar year 1928.

Turning to our exports, in 1929 we exported goods to the amount of $1,388,798,233, and in 1930, $1,144,938,070, a decrease of $243,860,163, or 17.5 per cent. That is, our imports decreased by 1.4 per cent while our exports in the same period decreased by 17.5 per cent.

Still dealing with the decrease in our export trade, I turn to one particular item of the nine for which our exports and imports are classified, and I wish to make this same comparison as to exports and imports of animals and animal products, which I think is one of the most interesting of our national imports and exports, because after all I am sure that all will agree that this country must be regarded as excellent for the raising of live stock. There is no reason why our production and exports of live stock and all kindred products should not be increasing from year to year. When we do not find that condition, there must be something wrong and there must be some remedy that should be applied.

In 1926 our imports of animals and animal products amounted to $49,185,000. In 1929 they amounted to $71,662,000, an increase in those three years of $22,477,000. or 4·6 per cent. In a country like this Dominion, which is so well adapted to the raising of live stock and animal products of all kinds, that condition of affairs should not exist. We should from year to year be continually decreasing our imports and increasing our exports of animals and animal products. So far as our imports of animals and animal products are concerned, they have increased by 4·6 per cent. Turning to our exports, I find that we exported in 1925, animals and animal products to the value of $190,975,000, and in 1929, $158,757,000 worth, an actual decrease in that period of $32,218,000, or 16·8 per cent. Let me emphasize that: during the period to which I am drawing your attention, Mr. Speaker, we increased our imports of animals and animal products by 4·6 per cent while our exports decreased by 16·8 per cent. Neither one of those conditions, I submit, is in the best interests of the Dominion of Canada.

I wish for a moment to draw attention to the agricultural wealth of the Dominion of Canada and relate thereto the revenue derived from the production of animals and animal products. I find from the Canada Year Book that the agricultural wealth of Canada in 1928 was $8,027,301,000. Live stock and animal products and poultry accounted for $919,615,000 of this amount, or 11 per cent. That is, live stock and animal products and poultry, so far as the agricultural wealth of Canada is concerned, accounted for 11 per cent. The agricultural revenue of Canada on the other hand was $1,730,304,000. These are the figures for 1928. Out of that agricultural revenue received by the people of the Dominion, live stock and animal products accounted for $559,-633,000, or 32 per cent. That is, while we had invested 11 per cent of our total agricultural wealth in live stock and animal products and poultry, we were deriving from that investment 32 per cent of the total revenue of the Dominion.

Now, I pointed out a few minutes ago that the imports and exports were both going in the wrong direction so far as animals and animal products were concerned. Let me give some particular reasons why this is occurring. In the Dominion in 1927 we had 9,172,230 head of cattle of all kinds; in 1928 this number had decreased to 8,793,270, or a decrease of 378,-966 head. That decrease works out to 4·13 per cent. Let me turn to swine. I find that in 1927 we had 4,694,789 head of swine; in

1928, 4,497,367, or a decrease of 197,422 head, or a decrease of 4·2 per cent.

It is interesting to note the relative decreases in those two kinds of animals. We have a decrease of 4·13 per cent in cattle and of 4·2 per cent in swine. We have heard it repeatedly said in this house that on account of conditions which exist in our dairy industry, that is, because our dairymen had been discouraged rather than encouraged by the government, our swine population was also declining. I want the house to notice that there are exactly the same relative decreases in the cases of those two items, the number of swine and the number milking cattle.

In 1927 we had 3,262,760 head of sheep; and in 1928, 3,415,788 or an increase of 153,082, or an increase in 1928 over 1927 of 4·2 per cent. Now, in 1871 we had 3,155,509 head of sheep. I would direct the attention of hon. members to the fact that between 1871 and 1928 the total increase in the number of our sheep has been but 8·2 per cent. That increase I do not think is at all in accordance with the possibilities in this important line of agriculture.

Turning to the trade of Canada as set forth in the monthly reports for the month ending March, 1930, I find that our imports of animals and animal products in 1929 amounted in round figures to $71,661,000, and in 1930 to $69,853,000 or a decrease of $1,808,000 or 2·5 per cent. The exports of our animals and animal products for 1929 amounted in round figures to $159,757,000, and in 1930 to $133,009,000 or a decrease of nearly $26,000,000, or 16·2 per cent. Now, Mr. Speaker, it may satisfy our friendly Minister of Agriculture to say that all is well so long as we are providing for our home consumption, but for many years in the future Canada must be an exporting country of all kinds of agricultural products, and I think it is not to our credit that we are falling down in these exports where there is so much opportunity for development and expansion in this business.

For a moment or two I might give the house some of the reasons why our export trade is declining and our import trade increasing. I find, for instance, that in 1929 our export trade in animals and animal products decreased by $22,629,000. Our imports of butter—of which we have heard a great deal—increased by $6,777,000; our imports of meats increased by over $2,000,000; our exports of cheese decreased by very nearly $7,000,000; our exports of living animals decreased by $1,039,000; our exports of meats decreased by $4,471,000; our exports of raw hides decreased by $3,562,000; our exports of leather, unmanufactured, decreased by $3,615,000. You will note, sir, that at the outset of my remarks I pointed out the alteration in our balance of trade, that the year before we had a credit balance, but that this year we have a debit balance, so far as our export and import trade is concerned, of $226,450,000. Of this adverse balance of trade, our animal and animal products accounted for $54,695,000.

I would point out that this condition prevails all through the live stock industry of the Dominion. I find in the live stock market report for 1929, at page 91, it is stated that the supplies of cattle at the nine public stockyards in 1928 were 875,428 head; in 1929 at the same nine public stockyards the supplies offered were 799,435, or a decrease of about 76,000 head during that year. I find that is less by 159,000 head than were offered at these same stockyards in 1927. We have had a continuous decrease in the offerings of cattle in those nine public stockyards ever since 1926.

Mr. BENNETT: Ever since the New Zealand treaty went into effect.

Mr. FRASER: Ever since the New Zealand treaty went into effect, as my leader reminds me. I think that is one of the factors in regard to this very unsatisfactory condition of affairs. Our total exports of cattle in 1929 were 162,632 head; this is the smallest number we have exported in the last six years and represents practically the life of the New Zealand and Australian treaties. Our exports of cattle to the United States were 160,103 head, which is 6,000 head less than the year 1928 and 44,000 less than 1927. We had no exports of cattle to the British market at all during the last year, although that represented a good outlet for our surplus cattle in the years 1925 and 1926. However, when we come to the years 1928 and 1929 we have nothing to offer to the British market. In addition to that our exports of beef are almost entirely to the United States. The total export was 31,000,000 pounds, or 16,000,000 pounds less than in 1928. On the other hand, let us see what has happened to the British market. Our exports in 1929 to that market were 6,100 pounds, although in 1925 we had exported 9,000,000 pounds and in 1926, 8,000,000 pounds. It is quite obvious that so far as the British market is concerned we are not in the market at all. In addition to that I wish to call the attention of the house to the fact that our imports of beef during 1929 to supply our own demands amounted to 5,235,412 pounds. That represents twice the quantity which we had to import in 1927 or 1928, and fourteen times as

much as we had to import in 1926. If that can be considered a satisfactory condition of affairs I must say that I fail to understand the significance of figures of this kind.

I wish to outline the figures in connection with the cattle sales in all stockyards of the Dominion of Canada. On the Toronto market the sales were 12,300 head less, in 1929 than in 1928. On the two Montreal markets the figures show that the sales were 11,000 head less than in 1928, and that condition prevails on all markets in the Dominion of Canada.

I have before me a rather significant statement which appears in the tenth annual report of the Live Stock Market and Meat Trade Review of 1929. I would like hon. members of this house to pay particular attention to this statement in regard to the home market. It is made by a department of this government in a report issued reviewing the trade for 1929, and refers particularly to the Montreal market:

> Shipments of dressed meats from other domestic markets, consignments of pork products and canned meats from the United States of America, imports of frozen beef and mutton from Australia and New Zealand for consumption in Montreal amounted to more than total offerings of live animals on the two local markets.

Surely nothing else is necessary to prove conclusively that there is possible a large expansion of the live stock industry in the Dominion of Canada. Government officials have pointed out that in connection with the live stock trade of this country the Montreal market has supplied only one half of the local requirements.

Let us turn to the British market and see what is offering there. In 1929 the British market imported 11,715,746 hundredweight of fresh, chilled and frozen beef. Of that quantity the Argentine supplied 80 per cent, or 9,060,324 hundredweight. Canada supplied none, although in 1927 we supplied 8,000,000 pounds and in 1926 9,000,000 pounds. There is a prospective market which is surely well worth cultivating so that the live stock industry of Canada might be extended. Let us consider the imports of bacon to the British market. In 1920 Great Britain imported bacon to the extent of 5,611,634 hundredweight and in 1929, 8,281,594 hundredweight. In 1920 Canada supplied 26 per cent of the British imports, or 1,493,008 hundredweight, and in 1929 we supplied to the British market 2.5 per cent or 119,446 hundredweight. Hon. members will take notice that in 1920 we supplied 26 per cent whereas in 1929 we supplied only 2.5 per cent, despite the fact that the British market had increased its imports from 5,611,634 hundredweight to 8,281,594 hundredweight.

In 1925 our exports of bacon and ham were 132,522,900 pounds, and in 1929 they had been reduced to 28,772,700 pounds. The amount exported in 1929 represents only 25 per cent of the amount exported in 1925. Our pork exports were 17,286,000 pounds in 1925 whereas in 1929 they were 10,184,700 pounds. On the other hand our imports of bacon and ham had increased from 1,190,626 pounds in 1925 to 6,855,217 pounds in 1929, or nearly six times as much. Our pork imports decreased from 15,443,276 pounds in 1925 to 13,945,241 pounds in 1929. I would call the attention of hon. members to the fact that in 1929 we imported 20,000,000 pounds of pork products, although in the Dominion of Canada we should be producing for export very large quantities of pork products. After reviewing very carefully the market conditions so far as they obtained in 1929 I make the statement that Canada could have marketed 1,000,000 hogs more than she did in that year without affecting the market price. One million hogs at $25 per hog amounts to $25,000,000; that amount of money could have been brought into this country if particular attention had been directed to this class of business.

I shall now turn to the British imports of mutton and lamb. In 1929 the British imports of these two commodities were 5,653,979 hundredweight. Of that quantity New Zealand supplied 50 per cent. Is there any reason why Canada should not supply to the British market as much mutton as New Zealand supplies? Natural conditions, such as proximity to the market, are more favourable to the Dominion than they are to New Zealand. Of the total quantity of mutton and lamb supplied in 1929 the Argentine supplied 27 per cent and Australia 10 per cent. Canada imported 4,000,000 pounds of mutton, and our imports in this regard are growing continually to supply the demand of our local markets.

I wish to place on Hansard a record of exports and imports as they were given in a return to this house asked for by the late member for Frontenac-Addington, Mr. Edwards, during the session of 1928. To the figures given in this return I have added the imports as they are recorded in the trade returns for the calendar year 1929. The table which follows gives the quantities of pork, bacon and hams, lard, cheese, butter, milk and cream and milk, condensed or evaporated or as milk powder, exported from Canada during

the fiscal year 1925-26 as compared with the quantities exported during the last fiscal year:

| | 1925-26 | 1929 |
|---|---|---|
| Pork.. .. .. .. ..lbs. | 14,989,100 | 10,184,700 |
| Bacon and hams..lbs. | 125,376,000 | 28,772,700 |
| Lard.. .. .. .. ..lbs. | 8,394,700 | 1,775,500 |
| Cheese.. .. .. ..lbs. | 148,333,500 | 92,946,100 |
| Butter.. .. .. ..lbs. | 23,303,900 | 1,400,400 |
| Milk and cream..gals. | 8,718,380 | 5,627,523 |
| Milk, condensed or evaporated or as milk podwer.. ..lbs. | 45,622,600 | 31,982,300 |

When we consider the imports into Canada of these commodities we find increases in almost every instance, as follows:

| | 1925-26 | 1929 |
|---|---|---|
| Pork.. .. .. .. ..lbs. | 15,443,276 | 14,651,053 |
| Bacon and hams..lbs. | 1,190,626 | 6,855,217 |
| Lard.. .. .. .. ..lbs. | 4,321,387 | 976,145 |
| Cheese.. .. .. ..lbs. | 6,678,487 | 2,103,724 |
| Butter.. .. .. ..lbs. | 7,029,084 | 35,928,249 |
| Milk and cream..gals. | ..... | 20,035 |
| Milk, condensed or evaporated or as milk powder.. ..lbs. | 129,355 | 178,968 |

I have been attempting to show that we should encourage the production of animal products because there is a potential market for these commodities in practically unlimited quantities, and we have not supplied that market to anything like the extent which is possible. Our goods are in demand but we are not maintaining the necessary supply; indeed, to a considerable extent we are becoming importers instead of exporters. We are not supplying the British market in beef, pork, mutton, butter, eggs, bacon and ham, cheese or poultry to the extent that is possible or for which there is an insistent demand.

On the other hand, in grains, and particularly in wheat, the condition is exactly the reverse; we are making feverish efforts to increase our production of wheat and other grains beyond the consumptive demand. Contrast the situation in the meat trade to-day with the situation in the grain trade. Our elevators are bulging with an unsold crop which, by the way, was one of the smallest crops we have harvested for a number of years. Our transportation systems remain idle while the grain lies in the elevators awaiting a buyer, and our trade returns show unfavourable balances on account of our unsold grain. The commercial situation is depressed, and indeed almost stagnant; severe unemployment exists because the grain has not moved out and the money rolled in. Foreign countries, which formerly bought large supplies of our grains, have increased their tariff barriers, encouraged home production and left our growers with the grain on their hands. British Empire markets apparently are supplied from other sources, possibly because of the price but more likely because in the complex system of barter and exchange the shrewd British buyer finds in other countries willing customers for the manufactured goods he wishes to sell them in exchange.

Just here I might quote from the Financial Post of April 17, where I find some reasons why our wheat does not meet with the favour in the European market that it did at one time:

> Too much has been made of the statistical position of wheat and too little to the effect of tariff walls being raised higher and higher by European governments against foreign grain and flour. Britain, Norway, Denmark and the Netherlands now stand alone in permitting free entry to wheat and flour. The others appear to be willing to get along with cheaper products of inferior quality in order to increase greater use of the domestic grown and milled wheat.

The following figures show how potent this factor has become, especially when it is considered that all these countries are large potential buyers of Canadian wheat and flour. For instance, Germany imposes a tariff of 61.76 cents per bushel on our wheat, and I believe that tariff has been raised to 78 cents per bushel since this article was written. In France the duty is 53.60 cents per bushel, in Switzerland it is 105.49 cents and in Italy 73.20 cents.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. CHARLES E. FERLAND (Joliette) (Translation): Mr. Speaker, on May 1, the hon. Minister of Finance (Mr. Dunning), committed to our political annals one of the finest pages of the liberal party's history, in connection with the development of this country, perhaps young but already great. By a popular and national budget "clear as crystal" to use the words uttered a few moments ago by the hon. member for Temiscamingue North (Mr. Bradette), by a budget considered "the most important since Confederation," so acknowledged by the conservative press, the hon. Minister of Finance created an atmosphere of enthusiasm and revival of hope in the destinies "of the great century" of Canada. Therefore, the people of the beautiful county of Joliette welcomed with great joy this budget destined to further develop agriculture while sufficiently protecting the other industries.

My constituents, sir, also learned with much satisfaction, of the recent appointment to the bench of the Court of Appeals, Province of Quebec, of the Hon. Antonin Galipeault, ex-minister of Public Works and Labour in the Quebec Legislature. By the appointment to the highest court of Quebec of this great friend of Joliette, the government has crowned a very

fruitful career and honoured an eminent barrister of the Quebec bar, who in his new duties will continue to fulfil with much dignity the traditions of honour, ability, probity and devotion to duty which, at all times, have made the strength and greatness of the Canadian bar. The government has also honoured in this distinguished barrister a man who has played an important part in the administration of affairs in his province, and —what is more personal—one of the most brilliant scholars of my "Alma Mater" the Joliette seminary, where the hon. Mr. Galipeault completed his classical studies. Needless to say that the old seminary of Joliette is one of the most important institutions of higher studies in the province of Quebec. Instances of this are of daily occurrence. Only a few months ago, the Canadian press announced, with joy and national pride, that the young Roch Pinard, a student of the seminary of Joliette, had just carried off first honours in eloquence in an international competition, at Washington. Always remembering with joy the happy days which I spent in that admirable institution, which has given to religious and civil life numerous and distinguished men, I cannot resist the pleasure of mentioning that I have the privilege of sitting in this house with four worthy and distinguished students of the seminary of Joliette. They are the hon. member for Hochelaga (Mr. St-Père), for Berthier-Maskinongé (Mr. Gervais), for Champlain (Mr. Desaulniers), and for Saint-Denis (Mr. Denis).

Mr. Speaker, the unpresuming city of Joliette, whose charter of incorporation dates back to 1863, in pre-confederation days, and which had but a population of 4,200 at the census of 1901, has become the rich city of Joliette, prosperous in all its commercial and industrial activities. Its present population of 10,800 is noted for its broad mindedness, courtesy, good manners, high education and excellent character. This provincial town is preeminently a place of bonne entente and intermingling of various nationalities. The English protestant minorities peacefully enjoy in our midst their separate schools and churches while benefiting of all the advantages of Joliette life. I should very much like to see this town, where tolerance, peace and harmony exist among all races, serve as an example to all Canadians, especially at this period preceding an election in which our English protestant opponents belonging to the Tory party will, perhaps, as their press foreshadows, ask the people, as usual to vote against the Liberal party, and against French domination! I should like to see as much tolerance throughout the country as there is in the good old town of Joliette which I have the honour to represent in the house.

In this perfect social organization, there is, however, needed a special service, and it behooved the hon. Postmaster General (Mr. Veniot) to fill this need, by granting us, to our great satisfaction, a mail carriers service within the limits of the city of Joliette. I, therefore, wish to again express my gratitude to the Postmaster General on his kind decision to establish this service.

There is a local question, Sir, which is directly connected with the budget we are considering: the management of the National Railways in regard to its repair shops at Joliette.

In 1925, the C.N.R. shops, at Joliette, were destroyed by fire and have not yet been rebuilt. The management of the Canadian National Railways have nevertheless maintained more than 60 men to repair cars. Ever since the fire the citizens of Joliette have unceasingly asked for the construction of these shops. Their request has not yet been granted. The high officials of the C.N.R. maintain that the question is still under consideration, but the people of Joliette have serious doubts with regard to the fate of these shops to which our city owes at least one-third of its expansion.

I understand, sir, that the management of the National Railways has to deal, in all parts of the country, with numerous problems of the same nature as those relating to Joliette.

Indeed, eight years ago, when the Liberal party handed over the management of the National Railways to this well known expert, Sir Henry Thornton—for a long time familiar with transportation problems—the entire system of our railways, known to-day as the State Railways, showed yearly deficits of $75,000,000 and more. It was a very heavy burden for the country, we even heard a member, one day, suggest to turn over the entire business for $1 to whomsoever wished to purchase it, and a large number of ratepayers confronted with the ever increasing deficits, were wondering if there were not more truth than irony in the whim of this member. Events have, however, clearly shown that the present management, which changed old deficits to surpluses, was right. To-day, the work accomplished by Sir Henry Thornton gives us an admirable instance of what can be done by a competent and energetic man, when those he serves loyally support his efforts.

A few days ago the President of the National Railways presented us his yearly statement.

What gives us a clear proof of the difficulties met in the management of such a vast undertaking, always depending on the fluctuations of business, is that this statement shows a drop in the gross revenue of $16,752,948 and in the net revenue of $13,381,497 compared with 1928, a decrease attributed to the inferiority of the western crop in 1929, and more especially to the sale of wheat at a lower price. The fall in revenue from the shipment of wheat alone represents a loss of $15,500,000 compared with the previous year. It is also known that the discontinuing of western harvest excursions has brought on a loss of over $1,000,000 to the Canadian National Railways.

It is evident that the various workshops of the National Railways depend on traffic fluctuations and many uncontrollable circumstances. For the reason given, the present management felt justified in closing a number of local workshops, to the detriment of many towns, in order to reduce expenditures to a minimum.

Yet the town of Joliette which clamours for the rebuilding of the National Railways workshops, can base its claims on especially strong grounds. In fact, it requests the rebuilding of those workshops under the terms of a contract, old it is true, which required the Canadian National Railways to build and maintain permanently workshops for repairs of all cars to be used over a large section, from Hawkesbury, in Ontario, as far as Quebec and also at various other points. Moreover, has not the town of Joliette some acquired rights, by the fact that it owes one-third of its commercial and industrial expansion to the old workshops which greatly contributed to its development and to the welfare of its citizens? If I have drawn the attention of the house to this question of vital imporatnce to my district, it was to create a feeling of sympathy in favour of my town and in order that the C.N.R. officials may realize that they may at times make sacrifices for the benefit of certain provincial towns, so as not to hinder too greatly their progress. In expressing my gratitude to the present management of the National Railways who have kindly heard my just claims and in a certain measure have granted them, might I most respectfully suggest to them that they should still do more for the town of Joliette by rebuilding their workshops without any further delay, thereby giving shelter to our good workers of Joliette who are now exposed to the varying weather of the seasons. In a word, reconsider that important contract and give it a more favourable interpretation, not only conforming to the letter but to the spirit of each clause.

[Mr. Ferland.]

I wish, sir, to avail myself of the excellent financial situation of Canada as announced in the present budget to once more remind the house and also the government, which presides over our destinies with such perspicuity, ability, benevolence and zeal, of the question relating to the construction of a railway which would link Montreal to the Transcontinental, passing through Joliette, and which it was agreed to call the Joliette Parent branch via St. Michel-des-Saints.

For over a quarter of a century the counties of Joliette and Berthier have been clamouring for this railway.

I never conceived the idea of a Transcontinental without a branch line which would link it to the Canadian metropolis, stated, in 1908, Sir Wilfrid Laurier, who had subsidies, at the time, voted for the construction of 200 miles of railway intended to link Montreal with the Transcontinental.

Ever since that time, many efforts have been made by the Chamber of Commerce and Municipal Council of Joliette. Many resolutions, endorsing this request, have been adopted by imported public bodies of Montreal, by its French and English Boards of Trade, by the Business Men's Association, by the League of property owners of Montreal.

In February, 1929, an important delegation of the Chamber of Commerce of Joliette, accompanied by a number of federal and provincial members, among whom were the hon. member for Joliette in the Quebec Legislature (Mr. Lucien Dugas), and the hon. members for Berthier Maskinongé (Mr. Gervais), for L'Assomption-Montcalm (Mr. Séguin), for St. Denis (Mr. Denis), for Hochelaga (Mr. St-Père), for St. Henri (Mr. Mercier), for Maisonneuve (Mr. Robitaille), etc., went to meet the executive committee of the city of Montreal in order to ask them to officially endorse, on behalf of the Canadian Metropolis, the request of the citizens of Joliette and elsewhere. A few months later, just before the end of the 1929 session, I had the honour of forwarding to the government a resolution of the Council of the city of Montreal earnestly recommending to them the construction of this railway which would link up the metropolis with the Transcontinental, pursuant to the resolution of the Municipal Council and Chamber of Commerce of Joliette.

It was the first time that the city of Montreal expressed itself publicly, by means of a resolution through its municipal council. Now that the city of Montreal has spoken officially, the objection can no more be made to us that one often heard: "But you request a railway to help the city of Mont-

real which, itself does not ask for." We now know that the municipal authorities of Montreal have made the request as well as a great number of public bodies. The resolutions are too numerous, and time is too short, to read them to the house, however, I shall specially mention the highly favourable resolution sent to us by the league of property owners of Montreal, on April 17, 1929, and which reads as follows:

"Resolved, that the league of property owners of Montreal earnestly pray the Dominion government to construct a branch line which will link Montreal to the Transcontinental by the shortest and most direct route; and that copy of the present resolution be forwarded to the Prime Minister of Canada, the Minister of Railways, the Chairman of the Executive Committee of the city of Montreal, the leader of the council of the city of Montreal and to all the federal members of the counties interested."

Is it necessary to add, sir, that it is recognized to-day that the shortest line which will link Montreal to the Transcontinental is the one which would pass through Joliette and St.-Michel-des-Saints, in the county of Berthier?

It is not my intention to review all the arguments in favour of this important national scheme. Let me but refer to the masterly statement on this question by the hon. senator Casgrain, in the Senate last year, which can be found in the proceedings of that body February, 1929; also to the speeches delivered in this House by my predecessor, Mr. Justice Denis, during the last decade.

I shall, however, add that this projected railway will have the effect of opening up to the tourists one of the most beautiful centres of the province of Quebec. It is estimated that this new tourist industry brings into this country more than $300,000,000 per year. It is therefore important to draw to this country the greatest number possible of tourists, by making easy the access to the most sought country resorts. And I do not know of any more beautiful spot than that part of the Laurentian hills which crosses the north of the county of Joliette, and skirts, in the Berthier county, the magnificent perspective of the Seven Falls, extending as far as St-Michel-des-Saints, always in a marvellous scenery, in the midst of beautiful romantic landscapes, surrounded by numerous lakes that the great poet Lamartine himself would not have disdained to describe. Numerous tourists have the habit of visiting, during the summer season, these hunting and fishing grounds located in the north of the counties of Joliette and Berthier, and, each year, in increasing numbers, they return to them in their motor cars.

While on the subject of tourists, may I make a humble suggestion, express a thought which might be of a nature to germinate in many minds and take root later on? Might I suggest that it would be in the interest of the whole nation to add to the Interior Department, for instance, which already has an admirable and perfect system to advertise our national resources, a department of tourists, under the direction of a special commissioner, as in France, to which might be added other commissioners who could reside in some of the principle centres in the United States, a country very sympathetic to Canada, and the best recruiting grounds for tourists. I think that if we had such a tourist department, we could advertise those beautiful regions visited each year by thousands of tourists, who might be directed where life is pleasant in the summer months, from the sunny coast of Gaspé, so beautifully described by you Mr. Speaker, in an admirable sketch that was recently published, on the occasion of the anniversary of the fourth century of civilization in America, as far back as the sublime Laurentian hills which make us dream of heaven.

I stated at the outset of my remarks that the present budget favours the farming class. The other day an hon. member drew the attention of the government to the fact that a car load of vegetables, coming from the United States and shipped to the Canadian west, had been subjected to a duty three times higher than previous to the budget.

A number of members, prone, no doubt, to criticize the budget, will perhaps tell the working classes that with the new protective tariff, certain vegetables or fruits will sell a few cents dearer. The preferential tariff provides, first, for restocking the market, under most favourable conditions, from Bermuda and the West Indies.

The new customs duties levied on fruits and vegetables imported from the United States, will be criticized. However, the working classes will benefit by the fruits and vegetables imported from Bermuda and the West Indies, under a reduced tariff. As to the protective tariff against the products of the United States, it will benefit the farming class and in the long run the working classes themselves. Have not the latter an interest in protecting themselves against the exodus of the rural population towards urban and industrial centres. The best means of preventing this exodus of our farmers towards the towns, is to provide the agricultural class with the means of a livelihood from the tillage of the soil. If we must protect them to reach this result, let us protect them. It is a sound policy.

The help we extend to the agricultural class leads definitely to the improvement of the city workers' conditions.

Consideration was recently given in the House to the unemployment situation, but would not unemployment increase by the fact that a great number of farmers' sons, finding no more work on the land, would seek the towns to earn their living. From such a migration there could be no other result than overcrowding, I would add, sir, a dangerous overcrowding.

The government fortunately have done a great deal for the farmer. By their measure in connection with the maple sugar industry, enacted this year, they will considerably improve the lot of those who are in the maple sugar industry, in the province of Quebec, and I wish to congratulate all the Quebec members who have taken an active part in getting this measure adopted.

The government has also given proof of a high standard of patriotism by adopting the Farm Loans Act. When this act was passed, in the interest of all the provinces of the Dominion, the government was aware that in the western provinces those who borrowed were in the habit of paying high rates of interest. Unfortunately, owing to present conditions in the province of Quebec, and with a knowledge that our products are not selling as they should, I consider that the rates of interest asked on loans effected by virtue of the Farm Loans Act, 6½ per cent is too high to bring a real remedy to the situation of farmers who are really in need and who must look to the central and local governments for help in order to balance their budget by negotiating a loan which they could with difficulty obtain under better conditions in their own district. I, therefore, endorse with great pleasure the request of all the members of the province of Quebec, who earnestly pray the government to remedy this situation, at the present session if possible, by reducing the present rate of interest of 6½ per cent to 5½ per cent.

In many ways, we could help the farming class. The Bankruptcy Act of 1919 has been for us, from the province of Quebec, a complete upsetting of our former act of assignment of property and of our code of civil procedure. I have no hesitation in saying that this Bankruptcy Act, by allowing, for the first time in the history of this country, farmers to make a voluntary assignment and to place their assets often in the hands of adventurers who take up bankruptcy only as a side line, has caused more harm to the farmers of the province of Quebec than could possibly have done a plague of grasshoppers. I even wonder if this Bankruptcy Act is truly "intra vires" and might not be unconstitutional. Indeed, at the time of the confederation pact, the constitution maintained in force our law on assignment of property. And pursuant to this law, traders alone had the right to make a voluntary assignment of their property. Farmers had not that right. What happened under the regime of the Bankruptcy Act which has inaugurated an absolutely new system? A certain number of farmers having met difficulties in balancing their budget became discouraged, and solicited by certain assignees, thought of bettering their lot by passing over their property to an assignee who would handle their assets. In a great number of cases these liquidations did not bring a sufficient amount to pay for mortgages and the price realized on the whole implements of the farm was hardly enough to defray the costs.

The hon. member for l'Assomption-Montcalm (Mr. Séguin), at the outset of this session reported the case of a creditor in his riding who had a mortgage of $1,500 on a farm valued, at the time of the loan, at $5,000, and who received through the bankruptcy proceedings from his debtor $800 only. He lost the difference because the bankruptcy costs were so large.

There is nothing astonishing that there are abuses committed under this act, because the creditors are often unable to protect themselves. There are farmers who have forsaken, in favour of their creditors, property worth from twenty to thirty thousand dollars and the costs of liquidation amounted to four or five thousand dollars. Personally, I know of two in the county of l'Assomption-Montcalm.

This Bankruptcy Act has caused great and irreparable harm to farmers. They have lost their credit. The local money lenders lost confidence in them and when they realized that they were exposed to lose their money, because of the administration of the Bankruptcy Act, they preferred to invest their money in the cities. Even there, they often met adventurers who induced them to make loans on doubtful security, and these money lenders lost a considerable amount of their savings. It is not astonishing, under such circumstances, that our farmers have to suffer, because their income is small.

The are numerous omissions in the Bankruptcy Act which would need to be rectified. I would suggest to the government that they appoint a commission to inquire into this act, and its working, at least in the province of Quebec, and to report on changes which would be appropriate.

I would also like to see the government establish in rural districts a greater number of demonstration farms to further assist the farmers.

I again state, sir that the most important problem to solve in this house is that of maintaining our farming industry on a sound basis. Let us not follow in the footsteps of England which has established its trade and industries on the ruins of agriculture. Our country is not similarly situated. Let us first protect the farmer and the city worker, we shall thus ensure the happiness of the whole nation.

On motion of Mr. Manion the debate was adjourned.

On motion of Mr. Lapointe the house adjourned at 10.58 p.m.

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## Tuesday, May 13, 1930.

The house met at three o'clock.

### RAILWAYS AND SHIPPING

Sir EUGENE FISET (Rimouski), presented the first report of the select standing committee on railways and shipping owned, operated and controlled by the government.

Sir EUGENE FISET moved that the first report be concurred in.

Motion agreed to.

### TARIFF REDUCTIONS AND WHEAT

On the orders of the day:

Mr. A. B. THOMPSON (East Simcoe): Mr. Speaker, I call the attention of the Secretary of State to a question passed as an order for return on April 9. This question covered three points, while the return made on April 28 dealt with only one. I would like to have information regarding the other two points.

Hon. FERNAND RINFRET (Secretary of State): I will look into this matter and give my hon. friend a reply tomorrow.

### RADIO BROADCASTING

#### PROPOSED CANADIAN PACIFIC RAILWAY BROADCASTING STATION

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, on May 9 the Minister of Marine and Fisheries (Mr. Cardin) gave what was supposed to be an answer to a question which I had asked regarding the application of the Canadian Pacific Railway for a broadcasting licence. In his answer the minister did not make clear the position of the government in this matter, and I would like to ask the government if it is their intention to grant this company the broadcasting licence applied for.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall have to ask my hon. friend to allow the minister to answer this question. I will direct his attention to it.

### FREIGHT RATE APPEALS

On the orders of the day:

Mr. JOHN EVANS (Rosetown): Mr. Speaker, I received this morning a telegram from Mr. J. E. Armishaw, president of the United Farmers of British Columbia, inquiring if it is the intention of the government to give a favourable decision in the freight rate appeals made by the farmers of that province.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am unable to state whether that decision will be favourable or unfavourable. I wish I could state definitely when the decision will be given but there is a lot of evidence to be considered and I cannot at the moment make a definite statement.

### CIVIL SERVICE COUNCILS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, as the Minister of Labour (Mr. Heenan) has not been in his seat for some days, I should like to ask the Prime Minister (Mr. Mackenzie King) whether the order in council recently passed with regard to the establishment of civil service councils means that these councils will be set up in the near future.

Right Hon. W. L. MACKENZIE KING (Prime Minister); I believe the order in council makes provision for the meeting together of different civil service organizations with the representatives of the government in order to draft a constitution. Until a constitution is drafted and approved it is impossible to say what will be the official form of the council.

### FOREST FIRES IN NOVA SCOTIA

On the orders of the day:

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, yesterday I directed a question to the government regarding relief to be granted to the sufferers in Nova Scotia, particularly in the county of Queens, from the series of forest fires which have occurred there. As I stated yesterday, in the county of Queens

alone over 150 people have been rendered homeless. The provincial government has made a substantial grant and contributions have been solicited, and I was wondering if the government would be prepared to make a donation. The Minister of Justice (Mr. Lapointe) promised to bring this matter to the attention of the Prime Minister.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Upon inquiry I find that two day ago the Department of National Defence took steps to see that assistance would be given in the form of supplies and men. At the present time the government is making inquiries as to the nature and extent of the losses. I cannot say more than this at the present time.

## THE BUDGET

### CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, May 12, consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto of Mr. Bennett, and the amendment to the amendment thereto of Mr. Fansher (Last Mountain).

Hon. R. J. MANION (Fort William): Mr. Speaker, in the forty minutes at my disposal I do not intend to offer any useless compliments to the Minister of Finance (Mr. Dunning) in regard to his budget, but I will say this, that in bringing down this budget he has done a service to the Canadian people, because by it he has rung down the curtain on the last act of the farce which the present government has been presenting before the people of Canada for the past nine years. A farce is usually funny, but in this case it has been somewhat of a tragedy for the Dominion and it is well that the end is near. In the minds of most thinking people everything is over for the government but the election. For nine years the government by its un-Canadian policy has to a serious extent been doing damage to all our industries, the cattle industry, the dairy industry, the fruit and vegetable industry and the manufacturing industry, and by damaging those industries it has driven our workers and wage earners to the United States instead of providing work and wages for the people of Canada.

To prove that fact, all one has to do is to quote the figures of importations from the United States since the present government came into power. If hon. members will look them up they will find that the first year the government was in power we imported from the United States $516,000,000 worth of goods and last year we imported $869,000,000 worth, or almost double the former figure, an increase of nearly $400,000,000, 60 or 70 per cent of which could have been produced in this country had we had a proper Canadian policy. Our attitude throughout those nine years has been that we should have such a policy. This attitude we have put on record by resolutions moved in the house, by amendments moved to the budget, and by our leader in speeches that he has delivered before the Canadian people. Our attitude in short is one of "Canada first," one by which we shall produce in this country all those commodities which we can economically produce, utilizing in the process our own raw materials and bringing them to the finished product here instead of elsewhere, at the same time giving work and wages to the Canadian people instead of to people in foreign countries.

The reply of the Prime Minister (Mr. Mackenzie King) last year was the final summing up of the attitude of the present government when he assumed the position that we must "do nothing to provoke Washington." That was merely the final summing up, because for some years the government had been taking the same attitude. In the last three elections hon. members will find, if they look up the preelection proclamations of the government, that they have been proclaiming a free trade or low tariff policy. The Minister of the Interior (Mr. Stewart), who spoke yesterday, made that great proclamation of the "deathknell of protection." The Prime Minister not once but dozens of times in his speeches has emphasized the fact that the tariff is a tax on the people and therefore should be reduced. He has said in many speeches that a tariff fosters trusts, combines and mergers. He has bewailed what he called our "brick for brick" tariff policy. He has declared that the Tories try to shut out imports and in his Edmonton speech he said that imports do no harm. The Minister of Railways (Mr. Crerar), the late Minister of Immigration, Mr. Forke, and the Minister of Agriculture (Mr. Motherwell) are all out-and-out free trade supporters. But no later than this session when we introduced our amendment dealing with the New Zealand order in council, the government repeated its attitude, and its followers, notably the hon. member for Weyburn (Mr. Young) and the hon. member for West Elgin (Mr. Hepburn), took the position that the order in council should stand, that it would do no good to change it. The government finally moved a want of confidence motion in them-

selves and carried it, making this want of confidence in the government almost unanimous throughout Canada.

The Minister of Finance at Regina as late as February 6 last, or about three months ago, emphasized the fact that he was "a low tariff man." He said:

> I stand for a tariff as low as possible having regard to the interests of consumers, producers and industry generally.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: Some hon. members say "hear, hear." As everybody belongs to one of those three groups and nearly everybody belongs to all three, this means merely having regard to the interests of everybody, but having regard particularly to the interests of the government. That was the real object of the speech.

In 1929 things became bad and a climax was reached by conditions brought upon us by the government. Industry became so depressed and unemployment so rampant that demands came to the government for assistance. Deputations waited upon the Prime Minister and the members of the government asking for relief. The only answer, however, that they got was a petulant statement by the Prime Minister that they were exaggerating conditions, and some hocus-pocus about unemployment insurance which he recanted as soon as he came into the house. When the session began with business depressed and unemployment rampant, there was an opportunity for the government to show some of that great statesmanship which they so modestly admit they possess, but everything that came up in the house was negatived by them.

The hon. member for Athabaska (Mr. Kellner) introduced a resolution in regard to highways, but the government voted it down. Then the hon. member for Vegreville (Mr. Luchkovich) introduced a motion in regard to technical education, and while it did not come to a vote the government turned it down. The hon. member for North Winnipeg (Mr. Heaps) introduced a motion relating to unemployment insurance, but in the classical words of the Prime Minister, not one five-cent piece would be given. The opportunities were great, but the government was small. It was as useless and helpless as a ship without a rudder or an engine or a pilot or a captain. The members of the cabinet were not those statesmen that they boasted they were. They were merely effigies of statesmen. They claimed prosperity, prosperity, when no prosperity existed in the country. They seem to think if they cried it loud, often and long enough, the hungry would think their stomachs were full and the idle would think their hands were busy. They showed no leadership, no policy, no courage and no Canadianism.

The people began to get tired of the fact that Canada was being treated largely as a hinterland of the United States and of a government which on all policies dealing with the United States, acted like an offshoot of the Washington government. They began to realize what a miserable failure the government had been. In other words, the government had been found out, and the people were getting ready to turn them out, the government themselves and many of their followers admitting defeat in private conversation. They decided they had to do something radical, startling, spectacular, or they would not have a chance at the next election. So they put their heads together and concocted this budget scheme, or budget hoax, caring nothing for past principles which they had espoused in the years gone by, caring nothing for the rather awkward and somewhat humiliating attitude of standing on their heads so far as their tariff policy was concerned, and caring nothing for the indecent recantation of policies for which they had stood in other days.

Mr. HEPBURN: What did the hon. member stand for in 1911?

Mr. MANION: I was under thirty years of age in 1911 and I have gained a little sense since then, but I do not think my hon. friend has.

So they worked up this budget scheme; they took a few of our proposals which they had previously opposed and ridiculed strenuously and hilariously in the house; they took a few countervailing duties to please the agricultural section; they put some protection on iron and steel and then, fearing, apparently, that these three changes might help Canada, they introduced, or at least so they claimed, an extension of the British preference as a sop to the low tariff men of the west. Then making a complex rearrangement of all the items so that nobody could understand the budget anyway, they added a lot of humbug and hurrah and they offered that as a policy for Canada. There is in medicine an unscientific type of practitioner who when he does not know how to diagnose a case takes ten or a dozen drugs, jumbles them together in a prescription and offers it to the patient, hoping that if one therapeutic bullet does not hit the disease, another may. That is what is sarcastically called a "gunshot" prescription. This budget is a "gunshot" budget, the government hoping that if one political bullet does not bring down what I may call the prey, another bullet may do so.

They lack the intelligence to work out a scientific Canadian tariff, and they lack the honesty to admit that they lack the intelligence. So they have brought in this budget, and they hope to keep the people from choking and gagging as they swallow it by giving them free tea with which to wash it down.

There are three outstanding features of this budget with which I intend to deal very briefly in the short time at my disposal, those being the iron and steel duties, the British preferential duties, and the countervailing duties. In regard to the iron and steel tariff, we imported last year, largely from the United States, about $340,000,000 of iron and steel products, sixty or seventy per cent of which could be manufactured in Canada under a proper tariff. I am giving the figures of the Minister of Finance himself, who unfortunately is not in his seat. He said with respect to these iron and steel items that he had increased the rates under the general tariff on forty items and reduced the rates on sixty-six items; that under the intermediate tariff he had increased the rates on twenty-four items and reduced them on eighty-six items, and that under the British preferential tariff he had increased the rates in eight cases and decreased them in one hundred and fifty-two cases. Adding them together, he has increased the duties on seventy-two items and decreased the duties on three hundred and four items, or more than four times the number of increases. So if you take it mathematically, and that is about the only way one can take it, you do not find much encouragement in this budget to the iron and steel industry as a whole in this country. How much less iron and steel shall we import from the United States under these new rates, and how much more shall we import from Great Britain? What will be the general effect of these changes? Nobody in the world knows what the general effect will be, and least of all the Minister of Finance himself. In the last forty-eight hours, an outstanding business man, the president of a big business in Canada, stated within the precincts of this building that his company had built a $1,500,000 plant in this country which had not yet been opened, and due to the increases in the British preference made in this budget that plant would never turn a wheel. In this budget, tariffs have been raised and lowered in such a way that nobody can tell for a year or two at least what the general effect will be. That is probably one of the reasons why the Minister of Finance did not make an estimate of his income for the coming year, and a second reason was probably that any accurate estimate would have to show a deficit.



Mr. YOUNG (Saskatoon): Why talk of something you know nothing about?

Mr. MANION: I have as much right to speak on what I know nothing about as this government has to legislate on what it knows nothing about.

The second feature of the budget with which I wish to deal is the countervailing duties. There is a list of sixteen items on which the budget places a fixed duty, and then there is a provision that if the United States or other countries, but it is largely the United States, raise their tariff on any of these items, we shall raise our tariff accordingly, and if they lower their tariff on any of these items we shall lower ours accordingly. As my leader said, we are taking that part of the tariff from Washington. It is another version, I suppose, of the Prime Minister's "Don't provoke Washington" tune.

Let me examine these sixteen items a little more closely. Our imports of these items last year amounted to between nine and fifteen million dollars. I have heard various estimates. I estimate it myself between twelve and thirteen million. But I will take the highest figure that I have heard and assume that we imported fifteen million dollars of goods under these items last year. That is a mere bagatelle compared with our imports last year from various countries. Suppose that this budget keeps out $10,000,000 of those imports, which is very unlikely by the way, and that the increase in the iron and steel duties against the United States will keep out another $40,000,000 worth of iron and steel products, which is still more unlikely, because most people estimate that they will not keep out five per cent of the present importation, which would be only half $40,000,000. Adding those together, we get $50,000,000. Suppose, on the other hand, that the increase in the British preferential duties on agricultural products and iron and steel lets in $40,000,000 worth of those goods from the British Empire. That is only an estimate, but one guess is as good as another, and you can only guess in regard to this budget. That would leave a credit balance of $10,000,000. Suppose you double or treble that amount and say $20,000,000 or $30,000,000. Compare that with the $900,000,000 worth of imports that we got from the United States last year, or with the $1,270,000,000 that we got from the whole world. Where is the work and wages for the Canadian people in that budget? Where is the increased prosperity for this country in that small change? What the government has done is to give with one hand and take away

with the other, and what the effect will be nobody in this world knows. They have attempted to mix in the same budget free trade and protection, which are just as mixable as oil and water. A business friend of mine, after reading this budget, said to me, "I have carried on under protection in Canada, and I might be able to carry on under free trade, but I cannot carry on under both free trade and protection at the same time." Why did not the government take the courageous Canadian attitude and adopt a made-in-Ottawa policy, placing Canada first under all circumstances, instead of bringing down this weak, puerile imitation of a tariff which, even if it were conscientiously carried out, has little or nothing in it for the workers of this country? With the exception of a few items which this government has taken from us and incorporated as their own, after ridiculing and opposing them in this house, there is no resemblance in this budget to a real Canadian policy such as has always been advocated by us.

Mr. MILLAR: How did the government come to get a Conservative budget from Washington?

Mr. MANION: I did not say that they have a Conservative budget. I do not consider that they have. I tell you, Mr. Speaker, that at the next election these western free trade members, such as my hon. friend, will find it more difficult to get votes than the government will find it difficult to get anything from Washington.

Let me show how differently the United States government has dealt with its tariff since this government came into power in 1921. According to the Commercial Intelligence Journal of April 26 last, a publication of the government here at Ottawa, the United States imported from Canada in the six months of the fiscal year ending March 31, 1921, agricultural products or products manufactured from agricultural commodities to the value of $130,000,000. Then the United States put up the Fordney tariff and other tariffs. They did not impose countervailing duties. They were not worrying about what we were going to do. They put on straight duties of their own, with the result that for the six months ending March 31 last they imported from us, not $130,000,000 worth of these goods, but $24,000,000 worth, or $106,000,000 less in the short period of six months. They are now increasing their tariffs against us to keep out another $70,000,000 or $75,000,000 worth of agricultural products. That is the American method of legislating for themselves. Let us be Canadians, just as they are Americans, and let us treat them in the same businesslike way that they treat us.

I wish for a few moments to deal with the British preference. I would not like to pass that up, for in this budget which consists of a great deal of make-believe there is more fakery, sham, and eye-wash in the British preference section than in any other part. What kind of mentality must the Minister of Finance and the government have when they give a long list of 589 free items which they boast of as furthering British preference when, not dozens or scores, but hundreds of these items will not make one bit of difference in the imports that we receive from the rest of the British Empire. To make the whole thing still more obscure the Minister of Finance has rearranged the whole classification in a complex way, changing ad valorem duties to specific and specific to ad valorem, and taking percentage rates and making them dollar rates, and vice versa, to prevent, I suppose, the unravelling of this strange patchwork of economic humbug. What will be the result? No one knows, least of all the Minister of Finance. I can assure this house and our western friends particularly that the results will be far from what the Minister of Finance claims so far as the British preference part of the budget is concerned. There will be little resemblance to the pretense. These British preference reductions were put in for the purpose of appeasing the west and humbugging them into getting their votes. That was the whole purpose, and it is an insult to their intelligence.

What must one think of a government which adds scores, yes hundreds of items to the free list, useless free items, and pretends to western Canada that that is free trade, and then puts a tariff of 42 per cent on furniture, which one of its own cabinet ministers manufactures. To avoid being told that I am mistaken, I hold in my hand the order by which the tariff was raised from 30 to 42 per cent. It was tabled at my request the other day by the Minister of National Revenue (Mr. Euler). It is signed by R. W. Breadner, Commissioner of Customs, and was issued no doubt upon the order of the minister. This is the order:

Ottawa, April 28, 1930.

Subject; Importations of Furniture

Sir,

All importations of furniture from North Carolina, Virginia and other southern states are to be appraised at an advance of not less than 40 per cent on the invoice value, without dumping duty, pending investigation and further instructions from the department.

Yours truly,

In other words, they raised the valuation of the furniture 40 per cent, which makes the duty 42 per cent.

An hon. MEMBER: By order in council?

Mr. MANION: Not even by order in council, but by a circular issued by the Commissioner of Customs on instructions from the Minister of National Revenue.

An hon. MEMBER: For the benefit of the Minister of Trade and Commerce.

Mr. MANION: I do not say it was for the benefit of the Minister of Trade and Commerce, but it has a rather strange appearance I must confess.

Mr. EULER: Does the hon. gentleman say that the rate on furniture has been increased?

Mr. MANION: I say the valuation has been increased 40 per cent, which absolutely increases the duty to 42 per cent.

Mr. EULER: Surely my hon. friend does not pretend that the rate should not apply on the proper value. That is all we are trying to establish.

Mr. MANION: I do not know what the minister is trying to establish; but the fact is obvious that the duty on furniture at this moment is 42 per cent.

Now, Mr. Speaker, I do not question that there is something good in this budget; it would be a strange budget that did not contain some good items. The good items in this budget are the proposals which we have made for years past and which the government ridiculed as worthless. What is good in this budget I support. What fosters empire trade I support, so long as it does not damage Canadian industry of any kind; but, sir, when it does damage Canadian industry I shall just as strenuously oppose it. The Canadian working man who loses his job to a British or a West Indian working man is not any happier for having so lost it than he would be had he lost it to a working man in the United States or some other foreign country. Canada is just as much a portion of the British Empire as is Britain or the West Indies—and charity begins at home. Just as a chain is no stronger than its component links; so this empire is only as strong as its component parts. Canada being one of the outstanding parts of this empire, the best way for us to build up the empire is to build up Canada into a prosperous Dominion. When I am forced, as I am in this budget, to choose between my land and its people and some other land and its people, I unhesitatingly align myself with my own country and my own countrymen.



But, sir, to deal with the general question of preference, this Liberal party has been claiming for years that they were the only simon-pure advocates of the British preference. They have been boasting throughout the country that they were the ones who were giving the preference to Great Britain as against all the rest of the world including of course the United States. We on this side have learned never to accept any statements by this government without proper investigation, because they are the greatest bunch of boasters and braggarts that ever got into power in any country.

Mr. SPEAKER: May I ask the hon. gentleman, who is a very able parliamentarian, not to use the word "bunch" in speaking of any party. I heard it employed yesterday.

Mr. MANION: If I used the word I made a mistake, Mr. Speaker, and I substitute for it the word "group." I say, sir, that they have been claiming since the 1890's that they were the only simon-pure advocates of the British preference. But I made it my business to look into this and I find that their claim is not in accordance with the facts. For example, I find that on the total imports for the year 1928-1929, both free and dutiable, the average duty on United States goods was 14.1 per cent as against 20.6 per cent on United Kingdom goods, or a difference in favour of the United States of almost 50 per cent of the duty on American goods. Where is the preference in that, I should like to ask, for Great Britain? In case some hon. gentlemen may say that the United States imports into Canada include iron, cotton, oil, coal and a lot of other free goods, which is true, I also took the average on dutiable goods only, and I find that on our importations from the United States the average duty was 23.4 per cent, as against 25.9 per cent on dutiable goods from the United Kingdom, or more than 10 per cent higher against the United Kingdom than against the United States. The more you investigate, Mr. Speaker, the worse it becomes for I find also that between 1911 and 1921, when the Conservatives were in power, there was not one year in that decade when the average rate of duty on goods coming from the United Kingdom was so high as during the last two years under this government. I find that the rates during those ten years averaged from 15.3 to 19.6 per cent, except in 1915 when they touched 20 per cent. Comparing those percentages with the average percentage during the last two years of 20.6, I should like to ask this government and its followers, where is the great British preference over the United States

in that form of treatment? What has brought this about? I do not know, nor do I know whether it was done consciously or unconsciously, but I do know that on practically every occasion when this government deals with the United States the Prime Minister seems to have a slant favourable to that country and he drags his followers along behind him. To ensure the accuracy of my figures I checked them up with the report of the Department of Statistics for the fiscal year ending March 31, 1929, and it absolutely bears out the facts that I have brought to the attention of the house.

We cannot trust the statements of this government with regard to past preferences to the United Kingdom. Therefore it is very difficult to trust their statements with regard to future British preferences. I would warn my low tariff friends in the west whose opinions have been so flagrantly flouted by this government, in spite of their having kept it in power, that they had better look out or they will be handed another gold brick by this government which for the last nine years has bamboozled not only the west but the whole Dominion. I am sorry that I have not much more time to investigate the budget, because the more it is investigated the more sham, deceit, and humbug you find it contains. This budget is a queer mixture of free trade and protection, of British preference and American preference, of tariff stability and tariff imbecility, and it is offered to the people of this country by the Minister of Finance. He is smiling at it. I do not blame him.

Mr. DUNNING: I am smiling at you.

Mr. MANION: It is offered to the people of this country by the Minister of Finance as a cure-all for the different ills that this government has brought upon the people of Canada. This budget is offered to the country by a group whose whole tariff history is a record of deception, trickery and vote-chasing; by a group whose endeavour at this moment is not to help the people of Canada, but to catch their votes; by a group who next year would just as unhesitatingly throw over the free trade or the protectionist side of this budget, as they have in this session thrown over all the principles and policies which they espoused in the past; offered by a group, sir, whose lack of Canadian policy has put Canada in a position from which she will take years to recover.

Now, I might be asked, what is the object of a budget salad of free trade and protection such as this? The object, of course, is political. It is a political shield with two distinct sides, the protectionist side for the east and the free trade side for the west, with no doubt a strong recommendation whispered to the government supporters not to show the two sides in any one part of Canada during the election. In other words, the object of this budget is to get the votes of both the protectionist and the free trader by deceiving the one and betraying the other. It is no wonder the Minister of Justice the other day at Woodstock made a speech in which he said:

> This is not an eastern budget, nor a western budget, nor a farmer's budget, nor a manufacturer's budget, nor a workingman's budget.

Of course it is not, it is a political budget; that is what it is.

The people of Canada are tired, sir, of a government which has shown no leadership or initiative, no consistent policy or principle, no frankness or courage, and no real Canadianism. They are tired of a government which has shown by this budget that it is nothing more or less than an "organized hypocrisy." They are tired of a government which after nine years of power has placed this country in a worse condition than it has been in at any time previous to this year. The sooner we are rid of a government which by its policies has taken away the work and wages of the fathers, sons, brothers and husbands of this country, and thinks that it can gain the support of the women voters by a pound of tea, the better for Canada. The sooner we see the end of a government which by this feeble gesture has endeavoured to keep out twenty-five or thirty million dollars' worth of imports from the United States, yet allows the other nearly nine hundred million dollars' worth to pour in, the better for the workers and wage earners of Canada. The sooner the low tariff people in the west who have kept this government in power realize that they have been betrayed, victimized and used as cheap pawns on the chessboard of power, the better for western Canada. What Canada needs, sir, is not a crazy-quilt policy, as outlined in the budget, but a consistent, courageous, Canada-first policy which will build up on the northern half of this continent not only a great, prosperous and progressive Canadian nation, but a worthy portion of the British Empire.

Mr. E.-C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, Mr. Solomon Buckley Harris, a journalist on the staff of the Springfield Republican, remarks in his memoirs that "the art of politics is to obtain results". The history of our own country is proof that, notwithstanding the many changes effected in our political outlook, we have arrived at positive results. In keeping with the times, our governments are aware that they must have re-

course to up-to-date methods, adopt a new "modus operandi" to keep up with the needs of the day, and this with the aim of governing the country for the greatest welfare of the majority.

An arbitrary deed committed years ago, threw nations into disastrous conflicts. Two plenipotentiaries thrown out of a window was the cause of the thirty years war, and England unsheated the sword against Spain because some Iberians took a fancy to cut off the ears of the captain of a sea trading vessel. Things have changed since then. Countries, to-day, are more sensitive to the attacks launched against their foreign trade than to the affronts which caused great conflicts in the past. Turning to more contemporary times, let us note that one of the causes of the Great War was the promulgation of a tariff on hogs. And what is happening now? Are not the South American republics and Europe leagued together in unanmous protest against the new tariff of the United States.

It is useless, sir to suppose for an instant the withdrawal of Canada from the economic world. It would be idle works to maintain that we could escape from the changes which have taken place everywhere. It would be but vain boasting, to say that our country could prosper, without adapting our economic life to those conditions forced upon us by an almost general confusion of international affairs.

By its resolution of September, 24, 1925, the Council of the League of Nations asserted its conviction "that economic peace will greatly contribute to maintaining the security of nations". The desire of all good Canadians is that this peace may come as soon as possible to promote the healthy state of the economic world and the conditions which would help the expansion of civilization. Any national policy which is narrow in its outlook is detrimental, not only to the nations which endorse it, but also to the others as a whole. The economic conference has further noted, that the after-war experience prove that the prohibition of imports and exports, arbitrary regimes, disguised discriminations which result, sudden changes in customs duties and the high tariffs prevailing in many countries have fatal results on production and trade.

The United States are, at present, passing through a crisis of upward revision of their customs duties. Certain countries have been fretful of this recourse to autarchy by the United States in order to make sure of their economic independence. It is the Argentine Republic, the country of the teachings of Garvo and Calvo, that voices the most serious threats of tariff retaliation and boycotting of United States products. The New York World on February 24, 1930, published the following articles..

Antagonizing a Neighbour

Offhand it may seem a small matter to most American protectionists that Argentina is seriously disturbed and offended by the impending upward revision of our tariff. The newspaper La Razon is interviewing eminent citizens; many of them are declaring for retaliatory measures; the Rural Society representing 4,000 ranch owners, is calling for a boycott on American goods and the purchase of British imports; and a majority of the Agrarian Federation, composed of small farmers, favours increased duties on our farm machinery, automobiles and household appliances. But what of it? Argentina is a remote, thinly populated and imperfectly developed country, isn't it? The population is still under eleven millions, isn't it? It is all very well to talk of the great markets offered by it and by Canada, another country so seriously disturbed by our tariff plans that the Conservatives are talking of a party campaign for high counter duties. But cannot the 120,000,000 American people shape their own economic policy without bothering to consult these minor nations?

This article shows without further comments, that high protection tariff does not receive unanimous approval in the neighbouring republic.

The United States, contend the partisans of its high tariff, must have recourse to this upward revision of customs duties for the following reasons: the dumping of goods coming from countries having a depreciated currency, the desire to maintain old or recently created industries to a certain level. If such a stand was not taken they could not survive, or protect invested capital. They are masters in their own country, and we have nothing to say against this attitude of our neighbouring legislators.

Canada must conclude, sir, that it is indispensable to its security to develop in an ever increasing way the means to support itself. Without going into the respective merits of the theories of free trade and protection, without going back to ponder over the contentions of Gladstone, Blaine, Mills, Cartwright, Carnegie, Lloyd George, Balfour, Chamberlain, Beaverbrook, Baldwin, Scullin, and all the economists whose works embellish the shelves of the library of parliament, may I state that the budget introduced by the hon. Minister of Finance (Mr. Dunning) is a conception of our times and for our epoch. It contains no threats and its subject matter answers to our present wants.

Two items please the public especially, viz., the British preference and the countervailing duties.

"Hands across the sea," such was the appeal of Sir Wilfrid Laurier when he granted the British people preference. He did this because England was the only country where Canadian products were admitted free of duty. The Hon. William Lyon Mackenzie King made the following statement at the 1926 Imperial conference:

The same satisfactory position as to total inter-empire trade is indicated by an analysis of trends in Canada. In the past four years, our imports from the British Isles have increased approximately from 117,000,000 dollars to 163,000,000 dollars, and from 15.7 per cent of our total imports to 17.6 per cent. We would wish that British imports formed a larger proportion of our purchases, but in view of increasing competition from other countries, and particularly the advantage which the United States exports derive from close proximity and knowledge of Canadian requirements, it is striking to find the share of British exports on the increase. I think it will be agreed that but for Canada's extension of preference to Great Britain in 1897, the starting point of the present intricate inter-imperial preferential system, and further developments such as the grant in our budget of 1923 of one-tenth additional tariff preference to British goods entering by Canadian ports, the position would be far from as satisfactory as it is to-day. It may further be of interest to note the very high percentage of manufactured goods in these imports from the British Isles, 87 per cent in the last fiscal year, or more than half as great again as in the case of imports from the United States, from which we derive a good deal of our raw materials. In the same four years the rate of duty levied on dutiable imports from Britain declined from 24.8 to 22.1 per cent.

Great Britain was last year our best customer; it has alternated in this position of late years with the United States. Four years ago we exported to Great Britain 300,000,000 dollars' worth of Canadian products; last year, over 500,000,000 dollars. Yet the percentage of our exports taken by Great Britain fell during these years from 40.4 to 39 per cent, a fact which reflects the growing diversity of our export trade and the increasing amounts taken by Continental Europe and Asia.

During the past four years our trade with the other members of the British Commonwealth has shown marked expansion in totals, and a slighter increase in percentage of our whole export and import trade.

This took place in 1926. In 1930, Canada increases this preference on many items. Our country in no way desires to have the artisans of England; it wishes to see them find at home the prosperity and happiness they enjoyed when the vessels of Albion carried the products of the United Kingdom across the seven seas of the world. Sir R. Giffen, once stated that preference was a measure of safeguard for certain products of the empire. The right hon. Mr. Snowden is not without knowing that our wheat needs an outlet, that the next crop is growing and that, for the Western farmers as well as for the manufacturers, to restrict production always entails smaller revenues. The United States have forged ahead in trade exports, since 1914, but England certainly can regain the lost ground, if she generally responds to the offers which come from various parts of the empire. Without going back to the Corn laws the United Kingdom cannot be satisfied with extending her thanks for the advantages that Canada procures to her exports.

The budget brought down by the hon. Minister of Finance does not go beyond the limits, as a number of manufacturers of our country have entirely approved of it; that is, the items enjoying British preference will help to increase production, to create new wealth, more stable employment and better remuneration for a great number of unemployed that modern machinery has temporarily thrown out of work. Canada wants economic peace. Her representatives at Geneva proclaimed it to the world. Our Finince minister by putting the countervailing duties in the budget, will first have recourse to this economic expedient as means of negotiation, reserving later their application against those countries which, dealing with us, refuse to abolish certain tariff regulations harmful to our exports. The fundamental notion of this countervailing tariff will not vitiate in any way the normal course of competition by putting in danger the essential supplies of certain nations as well as the outlets no less indispensable of others. It is to attain the re-establishment and future development of the world activities, to succeed in improving the respective positions during trade negotiations, in eliminating that desire of retaliation against foreign tariff measures which are very injurious, etc., that this countervailing duty was proclaimed. It holds no threats: still less do they imply retaliation measures synonymous to high protection. It is properly speaking, a simple measure of an economic order creating no special privilege.

The Liberal party realizes that disorganization would result from the abolition of a tariff wall. It refuses to believe, like those who complain of "the theft of their exaggerated protection", that it is always more advantageous to decrease the imports than to increase the exports. We must note that if exportation increases, production, the wages of workers and the national revenue increase proportionately; if importation decreases,

owing to too high customs duties, the level of the articles increased lowers not only the possibility of exportation but also the consuming capacity of the country. It is to the conquest of new markets that we must turn. We have already done so with success; we must reach higher. Canada is an exporting country. Let us produce rationally and let our industries never be in such a position as to create temporary unemployment, because of our production which must compete with that of the United States on other markets.

A tariff for the people, enacted by a government which realizes that the state is for the people and not the people for the state, such is the policy that the King government proclaims in its budget of 1930.

It is a difficult thing to fashion a tariff capable of satisfying a whole population. The Conservatives demand a tariff which would protect national industries by establishing equilibrium between the cost of production of imports and the products of our domestic industries. The Liberals are in favour of a tariff for revenue by establishing fair competition between domestic productions and imports. If we were to judge by their programs in economic matters, the two parties would seem to have the same object in view, but it is in the practice that the chasm appears. The Conservative tariffs are always higher than those of the Liberals.

For years, there was a question of withdrawing the control of the tariff from the political arena, so as to make it a national question instead of having it decided by local interests. Tariff being so to speak the expression of a fiscal policy, how can it be withdrawn from political control? On the other hand it could never become a science by remaining in the field of politics.

In order to obviate to all this, it was considered best to create a tariff commission, which has already justified its existence. After having heard the requests and objections of a number of industries, farmers and consumers, it sent to the Minister of Finance its report which embodied what Mr. Thomas Walter Page, Chairman of the United States Tariff Commission from 1920 to 1922, qualified as "the only method capable of bringing about certain reforms in the tariff systems."

The farmer is not, thank Heaven, this ferocious man described by LaBruyère: "black, livid, sun-tanned individual held down to the soil which he digs and turns up with an invincible stubbornness." If he no more leads that extraordinary hard existence that Massillon, Saint-Simon and Arthur Young have described under the most gloomy colours, we must admit that he had a right to have his grievances adjusted. Although not favouring him with exceptional advantages at the expense of the consumers, the King government gives him the opportunity of getting more from his land and retaining those who too often forsake it to seek in the mirage of our large cities that happiness to which they aspire but which deserts them most of the time.

The merchant and manufacturer buy in the course of business certain commodities with a view to disposing of them under a more or less modified form. They know pretty well what the cost of production has been and are thus enabled to set a sale price which will ensure a certain margin of profit. Competition among them is regulated by professional skill, technical ability and resources in manufacturing; the vastness or moderation of their desire for riches. Should the profits anticipated fail to materialize, they have as a rule the alternative of storing their products until a better opportunity offers of selling them. When they sell at a sacrifice, it is for considerations well known to them: the desirability of retaining their help or their customers or of paying off a debt. Besides, they are in a position to limit their losses, or to make up for them by increasing their gains in some other lines of their business. In a word they have the upper hand at every turn.

The farmer is in a totally different position, he has no control either over the cost of production or over the sale price. His raw material is a manufactured product in the acquisition of which he is bound to submit to the demands of his purveyors. As regards his implements, he is in the same position, while, as regards labour he is met with exigencies as great as those with which the manufacturer or merchant is confronted. Besides he must put up with atmospheric conditions: a late frost, a sudden storm may imperil the fruits of the labours of the year; the sunny days which hasten the ripening of his crops, may also blight his hopes. When he starts work and goes into expenditure which rapidly increases as time goes on, in order to secure a far off result, he is unable to foresee what will be the outcome; he is at a loss to tell what profit he will derive from an uncertain venture. And the extent of his risk is gauged by the despair of that farmer in the "departement de Gers" who having obtained for his cow one-half only of the price expected, hanged himself on reaching home.

It will not be seriously contended that farmers are responsible for the high cost of living. It is a worldwide phenomenon, the causes of which are too evident and well known to dwell upon.

The Count of Paris believed in the formula: "Institutions have corrupted men," but is it not proper to admit some truth in the reverse formula: "Men have corrupted institutions?" Indeed, it was the day after the putting into force of the new seasonal tariff,

that jobbers and profiteers thought it wise to increase the price of commodities still under the duties "ad valorem," contending that this new tariff system was responsible for it. Lies, added to mercantilism which deserve the contempt of all honest people. "Coveant consules!" Let those who govern, watch!

The economic tendency of Canada, for the last five years, has tended upwards. Thanks to abundant crops in the Canadian west, the purchasing power of the farming community has greatly increased, and that period of the seven fat cows has given us a series of favourable trade balances which helped us to liquidate successfully the current obligations of Canada abroad. Trade, industry and finance reached new heights in 1929. The volume of industrial production exceeded by more than 14 per cent that of the previous period, during the first nine months of 1929; the volume, as a whole, of business, expressed in dollars and cents, as well as the general level of investment have greatly exceeded the figures mentioned in the schedules submitted by the Dominion Bureau of Statistics.

As we must admit that events cast their shadows before them, two noxious features intervened during the autumn. The wheat crop showed in 1929 a falling off of 300,000,000 bushels, and the competition of the wheat trusts on the markets of Europe brought on a reaction which was generally felt in all fields of activity and contributed greatly to unemployment. The reaction of the crash on the exchange market equally created an economic uneasiness from which Canada will shortly recover. Our favourable trade balance suffered from the falling off in our exports since last June, following the slowing down of the grain shipments, especially wheat.

It would take too long to give the details of all our statistics, but let us be optimists when realizing that the visible wealth of Canada is $27,000,000,000 and that the total sum of all our economic activities represents $5,500,000,000.

Since the war the outstanding feature in the situation has been the considerable importation of capital from the United States; in 1913 United States capital investments were probably around 650 millions; to-day they approach 3½ billions. British investments in Canada have in the meantime slightly declined.

In spite of the large importation of capital from abroad, Canadian capital probably controls at least 60 per cent of the securities of all enterprises located on Canadian soil. Foreign capital investments as a whole are not greatly in excess of 20 per cent of the national wealth.

It must be pointed out in addition that Canadians have large amounts of capital invested abroad. The Bureau of Statistics estimate of this amount in 1928 was $1,579,074,000 divided as follows:—In Great Britain $131,915,000; in the United States $874,626,000; and in other countries $572,533,000.

Capital investment by other countries in Canada, 1913 and 1929

| | 1913 | 1929 |
|---|---|---|
| United States. . | $ 650,000,000 | $3,400,000,000 |
| Great Britain. . | 2,500,000,000 | 2,210,000,000 |
| Other countries. . | 175,000,000 | 250,000,000 |
| | $3,325,000,000 | $5,860,000,000 |

A young nation like ours cannot dispense with outside help, and if England in return for the preference that we grant her, wishes to show herself practical and grateful, let her invest with us some of her capital to create industries, as she did during the period extending between 1900 and 1912. Our untouched natural resources await a response to this appeal. The industrial development of Canada first rests with the work of her sons, and secondly, England's help.

Our total trade exceeded $2,000,000,000, in 1929. Canada draws its supplies from everywhere and its trade relations extend to all countries. We must bear in mind, that our industries import a large quantity of raw material, a sign of prosperity. Enough as regards to statistics. The forty minutes allotted to me do not allow me to give any more.

The King government will soon be asking the Canadian people for a renewal of its mandate. Its history, since 1921, is that of a return to prosperity, the reduction in the national debt, a considerable expansion in industries and exports, the reduction and even the wiping out of many taxes, the enacting of many social measures, aiming at the prosperity and welfare of all classes and provinces in the Dominion.

A government which has so well managed the affairs of Canada since 1921 cannot possibly lose the confidence of the public; and the wisdom of which it gives proof by not increasing the British preference on textiles will certainly assure it the gratitude of thousands of workmen depending on this industry, in my riding, as well as in many other localities of the province of Quebec. Let the manufacturers respond to this generous act by increasing the wages of those who contribute to the prosperity of those industries. It would be a proof of well placed altruism.

The Liberal party is rational and not swayed by traditions in its undertakings. It avoids mere routine when it is more or less out of touch with the requirements of the time; it puts logic above sentiment, fairness towards

the people above the holding of power, and it prefers experimenting to plodding in the narrow ruts of the past. Liberty, justice, equality, local autonomy and uprightness are ideals from which the Liberal party must never depart. A great American poet wrote that:

"Freedom, from her mountain height,
Unfurled her standard to the air."

Let our Canadians never forget that freedom united to progress must ever be found on lofty heights.

Mr. GROTE STIRLING (Yale): Mr. Speaker, there is a feature in regard to the proposals of the government concerning the schedules on fruits and vegetables in which they appear to be departing from the principles they have been supposed to follow all these years; apparently they have grasped at protection and gone crazy. In a great many instances it will be found that they are proposing further protection than that for which the fruit and vegetable growers have asked, and if the Liberal doctrine be true that of necessity an extra duty means a higher price to the consumer, then the consumer will have to pay more for his fruit and vegetables in the future. Certainly he must be careful not to put the blame for that increase on the producer; he must not say to the producer, "This is what you have been clamouring for all these years. We knew what would happen; the price has risen to us, and you are to blame."

I point out to you, Mr. Speaker, that an examination of these schedules will show that the proposals of the government in a considerable number of instances go further than the producer asked to have them go. For years past, in his divisional organizations, the fruit and vegetable grower has been discussing the amounts of duty to which, in his opinion, the specific rates should be raised in order to give him that protection he considers to be his due. These discussions have been carried on in his provincial organizations; they have been taken up by the national organization and presented to the Advisory Board on Tariff and Taxation ever since its inception, through the medium of the Canadian Horticultural Council. The basis of the producer's plea always has been that we can produce the quality and we are convinced that we can produce a much greater quantity, displacing some of the importations of those commodities from other countries, if we are given reasonable facilities for so doing, but the producer always has had in the back of his mind the position occupied by the consumer. It has not been the wish of the producer to initiate such high rates of duty as of necessity will perturb the consumer, for if the consumer is too severely handled in this matter he will buy less and we shall have a smaller distribution. In the working out of the problems which confront us, both fruit and vegetable growers look for a greater and more perfect distribution through the markets of Canada than we have attained as yet.

In connection with certain highly perishable commodities such as peaches and strawberries the proposition put forward by the producer has been that the specific tariff should be increased. That tariff should be applicable during the period of our production, but before and after certain dates which may be set by the minister the tariff is no intimate concern of the producer. However, examination of these proposed schedules will indicate that in a great number of cases the producer has been given the amount of specific duty for which he asked not only during the time of his production but during the whole year, and in addition he has been given something more for which he did not ask. In many cases the specific rate of duty has been raised to the amount asked for by the producer, although not in all cases; this is to be kept on the year round, so that when Canadian production has ceased and there are no Canadian fruits and vegetables on our markets which would tend to stabilize prices, the tariff will increase, the price will rise and the enhanced price very probably will be passed on by the trade to the consumer. Over and above that, however, the producer has been given something further for which he did not ask. The present proposal of the government is that in addition to these specific duties there shall be an ad valorem duty which shall be alternative to the specific rate, and whichever is the higher shall be collected. The ad valorem rate on vegetables is 30 per cent; the rate on fruits is 25 per cent, and the duty which is higher, as between the ad valorem and the specific, will be collected. I think the way that would work out would be as follows: when Canadian production is moving on to the markets in full volume, the price would tend to be low and the specific duty would be higher; when Canadian production is over the price would tend to rise, and it would then come under the ad valorem duty. I am persuaded that the higher price will be passed on to the consumer. The revenue of Canada will benefit, but the consumer will pay more for his necessities and it is hard to understand how the grower will benefit thereby.

My main objection to the government's proposal is the fact that once more it has turned a deaf ear to the growers' request for something in the nature of an emergency tariff. Foreign countries with surplus production of certain fruits and vegetables endeavour to keep that production off their own markets because the price, there, would be broken. They look around for some unprotected spot to which they can send their perishable commodities, and in this particular instance Canada is next to such a neighbour. The surplus production of the United States is tipped into our markets at various times. When the glut is coming into the Canadian market the price is so low that the ad valorem rate is not the higher, and the specific rate is insufficient. So far as I know, the grower has never asked that the specific rate shall be raised to such a height as would make the price such as to prohibit the foreigner marketing his products in Canada.

Two winters ago the producers of British Columbia sent a delegation through the western provinces in an endeavour to meet the opposition which they were prone to believe existed in that part of the country. That delegation met associations of farmers; it met representatives of labour; it met the press; it met the cooperative societies; it met responsible individuals, and it was careful to explain that its mission was not to discuss a general rise in the tariff—that part of the case had already been submitted in detail to the tariff advisory board—it was there to meet supposed opponents and make sure that the view of the producer was correctly explained. The members of the delegation returned home to British Columbia with renewed hope because of the kindly feelings which had been expressed toward their view.

As I said before, the government has once more refrained from doing anything which will be of the slightest assistance to the producer in taking care of the glut in importations. At the present time nothing stands between the producers and these importations except what one might call the toy clause of the Liberal government. That clause was inserted in the Customs Act in 1922 and requires the passing of an order in council to make it operative, which order in council this government has never passed. An order in council was passed in 1926, which this government proceeded to use when they returned to power. Subsequent orders in council were passed which provided some effective protection, but when the fanatical free trade supporters of the government blew up all those orders in council were rescinded. We are now in the position in which we were before. It seems to me to be quite unreasonable that we should be expected to rely on that impotent clause of the Liberal government, precious to them because it replaces one which they repealed and which had been put into effect by their predecessors. That previous clause took some cognizance of the costs of production. However, the Liberal government said: to consider the costs of production is unworkable, and they ignored the fact that that clause had been in operation with satisfactory results. The Liberal government has not in the past shown any desire to pass the necessary orders in council, and it seems to think that recantations at this late date will appeal to the fruit growers.

One of the reasons for repealing the orders in council in 1928, was a letter written by the Department of Justice. This letter stated as an opinion, but not as a ruling, that it was improper to use the dumping clause on articles carrying a specific tariff. A few days ago a despatch from Ottawa appeared on the front page of the Vancouver Daily Province which stated that now that the government had imposed an ad valorem duty on fruit it would be possible to use the dumping clause in the future for the assistance of the apple grower. I cannot imagine the apple grower believing that this government would pass an order in council to help him in view of the way it has flouted him all these past years. When the glut importation of apples is entering Canada, the price is low and the ad valorem duty is not the higher. The specific duty is insufficient, but it is not to apply because of the letter from the Department of Justice saying that it is improper to impose the dumping clause in relation to articles carrying a specific tariff.

Mr. YOUNG (Weyburn): That is not what it said.

Mr. STIRLING: Does the government really think that the fruit and vegetable grower is such an arrant ass as to believe in these late protestations of assistance? The thought passing through the mind of the fruit and vegetable grower is quite different; it is similar to that couplet written many years ago:

> The devil was sick, the devil a monk would be,
> The devil was well, the devil a monk was he.

These gluts to which I have been referring do not occur every year, nor in succeeding years do they occur in regard to the same fruit or vegetable nor even in the same variety

of any fruit or vegetable. Last year, so far as I am aware, there was no glut trouble with regard to apples, but there certainly was with regard to prunes. Let me read two or three short extracts from our own inspectors in some of the markets in Canada. This is from Edmonton:

Very few British Columbia prunes have come into the city of Edmonton, although considerable quantities have been handled in country cars. The city and the adjacent towns were supplied with Washington prunes that were bought at 30 cents or 35 cents and were laid in here at from 4 cents to 10 cents per package less than British Columbia stuff could be. In the single week from September 9 to 14 there were 13 cars of the Washington prunes sold in Edmonton; and the total for the season must be over 30 cars. The British Columbia prunes moved in country cars partly because the rates direct to country points made the delivered cost lower than on American prunes reshipped from the warehouses here and partly because they were needed in the country cars to make weight and provide a reasonable assortment.

J. M. Cassels.

This is another one from Regina:

The British Columbia Italian prunes were subject to the same competition as in the past years, namely the early importations of Washington prunes. The Washington prune deal this year started off at very low prices and the market declined to even lower levels before the deal was over. The same conditions existed in respect to Washington prunes that have been noted in past seasons. The fruit was packed very immature and on arrival at destination did not have the proper sugar content to give it a good flavour, or to make it desirable fruit for canning purposes that the Italian prune is when properly matured. The consumers purchased the Washington prunes in large quantities on account of the very cheap price. I did all that I could to discourage the imported prune deal, stating that this would not be satisfactory on account of the fruit being immature, but cannot say that I had any measure of success.

J. W. Dilworth.

This is from Vancouver:

We have not received a single car of prunes this season; up to date we have received around 20 cars of Yakima prunes which has killed the sale of plums. Some retail stores selling as low as 60 cents a box.

N. F. Peters.

So prunes were entering Canada from the United States at, say thirty-three cents for a twenty-two pound box. The duty that was being levied was nine cents. Nine added to thirty-three makes forty-two and prunes cannot be produced at forty-two cents a box. The present proposals would raise the duty by seven and a half cents. Seven and a half added to forty-two is forty-nine and a half. Prunes cannot be produced, packed and shipped at forty-nine and a half cents a box. In 1926, when the minister had the right to set fair market values, the figure which he set was sixty-six cents a box, and I think the opinion of the producer, the trade and perhaps the consumer, would confirm the fact that sixty-six cents a box was by no means too high a figure.

What the grower has asked for has been a measure of assistance which shall be there on the shelf, ready for use, when an emergency occurs, and which will at least tend to raise that very low price to the figure which he considers is a fair market price in Canada. Prunes we grow in abundance. We certainly could grow a sufficiency to take care of the fresh prune requirements of Canada and we could go a long way towards producing sufficient prunes to take care of the dried prunes needed in Canada. Only the other day I received some dried prunes, processed by the Dominion government at Summerland. They were excellent; I have never eaten a better imported prune. What is the use of one department of government carrying on these experiments helpful to the fruit grower, if another department of government by its inaction makes it well nigh impossible for the fruit grower to continue to exist?

On apples the grower has not asked for any increased duty. He has asked for assistance in times of glut. The specific rate proposed by the government leaves that amount as it was before, namely, thirty cents a box, and merely clarifies the wording. Alternate to that is an ad valorem duty of 25 per cent on the value of the importation. When Canadian production is over or all but over, the price certainly tends to rise. The ad valorem duty will come into effect. It is extremely probable that the trade will pass the extra duty on to the consumer. The consumer will pay more for his apples and for the life of me I cannot see in that case just how the producer is going to benefit. In times of glut neither of these two methods of handling the duty on apples will be of assistance. In times of glut, apples may come into Canada at sixty cents a box and the ad valorem rate will then certainly not be the higher. The specific rate of thirty cents a box will be insufficient so far as the producer is concerned.

I cannot go through every item in these schedules, because that would be wearisome and the time would not be sufficient, but I desire to refer to one or two, taking them more or less at random. Let us look at the case of grapes. Production of grapes in the

Niagara peninsula produced the wineries. British Columiba is producing more and more grapes for table use and also for the supply of wineries. Of recent weeks, perhaps running into months, California has increasingly been importing into Canada crushed grapes, grapejuice, and more deadly from our point of view still, concentrated grapejuice. The grape grower considered that with that competition it would indeed be difficult for him to survive. He therefore came to the tariff board and put forward his proposals. He asked that crushed grapes might be included in the item "grapes," but he did not ask for any increased tariff on that item. He asked further that grapejuice might come under a tariff of twenty-five cents a gallon and that the density of that juice might be subjected to the Boehm test. The government has not acceded to any of his requests.

Mr. DUNNING: Does my hon. friend say that the latter request was made before the tariff board?

Mr. STIRLING: That is my information. This concentrated grapejuice comes in at a four to one strength. A given gallon at an increased price, will, when water is added, produce four gallons of grapejuice.

Mr. DUNNING: Does my hon. friend say that this was developed before the tariff board?

Mr. STIRLING: That is my understanding. I am subject to correction. All that the government has done with regard to that tariff is that grapes are to be allowed to come in free in future under the British preference; the intermediate tariff has been reduced; the general tariff remains where it was, and the duty on crushed grapes and grapejuice has not been altered so that they will continue to come in under the old item. The minister shakes his head. As I understand it, after giving the matter some thought, that is the situation.

Canada also produces peaches. Peaches are grown in Ontario and British Columbia. A good many go to the canneries. The peach grower, realizing that the old tariff of one cent a pound was quite insufficient for his purpose, considered the matter first in his district organizations, then in his national organization, and coming with a united front before the Tariff Advisory Board, suggested that that one cent be raised to 1½ cents a pound. He suggested that figure because in his opinion it was the minimum amount of duty under which he could survive, and that 1½ cent a pound duty which he suggested was to apply during the ten weeks of his production. The proposal of the government is that the one cent a pound duty shall be raised to 1¼ cents and that it shall apply all the year round, and that alternate to it there shall be a 25 per cent ad valorem duty; so that when Canadian production is drooping and there is no Canadian produce to temper the price, the price tends to rise, with the result that I have indicated previously.

In July of last year there entered Canada from the United States all but 1,500,000 pounds of peaches. Many of the peaches find their way to the canneries, and even there they find sorrow because the Canadian canneries are chock-a-block with canned peaches largely brought about by an immense increase in the importations of canned peaches from Australia. That is a fact which undoubtedly will be taken into consideration by the canners when they come to make up their figures both as to price and pack for the canned peaches of 1930.

Let me put on record the importations of canned peaches from Australia in the last few fiscal years. Canned peaches, which enter Canada under a tariff of half a cent a pound came into this country in 1926 from Australia to the amount of 166 pounds, a mere nothing. In 1927, the importation was rather over half a million pounds; in 1928, a little over 200,000 pounds; in 1929, over 1,000,000 pounds, and in 1930, over 2,500,000 pounds. That amount of peaches entered Canada under a tariff of half a cent a pound under the Australian trade agreement—one instance which I remember we on this side of the house pointed out to the government in the debate in 1925 on the Australian trade agreement, when the gov ernment were so certain that the items contained in that treaty would not bear heavily on the farmer and when we pointed out to them, and we have been proved correct, that every benefit that Canada receives under the trade agreement is paid for by the Canadian agriculturist.

Onions may be cited as yet another case. The old tariff on onions was 30 per cent ad valorem, or half a cent a pound with the price at $35 a ton. The grower came to the tariff board and asked for a specific rate of three-quarters of a cent a pound to apply during the period of his production and the subsequent period during which economic storage is feasible. The government has put forward the proposition of three-quarters of a cent a pound all the year round, and as an alternative 30 per cent ad valorem, and whichever is the higher will be collected.

It is interesting to note that the United States tariff against our onions is 2 cents a pound, and now they propose to raise it to 2½ cents a pound. Our tariff against their onions, as I have just stated, is three-quarters of a cent a pound. The grower is being continually advised by officials in the department and by the government to do more in the way of storing his produce rather than rush it on to an unready market in its glut—to be in the position to feed the market as the market requires the goods. In the city of New Westminster recently there was built a cold storage plant, probably the last word in cold storage plants. It was largely assisted by a Dominion government grant and you may be sure, Mr. Speaker, that in their relations with the producer the government has lost no opportunity of instancing this as one more evidence of its intense desire to do everything it can for the producer—not of course in their unregenerate days by doing anything with the tariff, but rather by cold storage. In December last the associated growers of British Columbia placed twenty-seven carloads of Okanagan onions in that cold storage building, onions excellent in quality, in prime condition to serve the spring market. They had incurred storage costs, which are by no means light. They were held for the very reasonable figure of $40 a ton f.o.b. Around the first of April there was unloaded at the coast 130 tons of New Zealand onions, which entered Canada free under that order in council which the government flipped across the ocean to New Zealand five days after the Woodstock speech, receiving nothing in exchange therefor. What is the good of advising us to store our onions if we are to be met by unfair competition, as we think it, even from the dominions? Following that 130 tons, at a later date came another 50 tons, and we have to market our onions, which have incurred cold storage costs, in competition with onions entering this country free. Australia has a tariff against our onions of $40 a ton. New Zealand's tariff is considerably less than that. But our doors are open, and the government now, with a magnificent gesture, opens the door to onions from the British possessions, which in future may come in free.

In passing, let us notice cauliflower and celery. Cauliflower is not a commodity which lends itself readily to storage. Celery can be stored, and is stored to a certain extent. The grower asked for a specific duty of 2 cents a pound on these two vegetables. That is the amount which he has been given. But he asked for it during the time of his production and during the time of economic storage. The duty is to be there all the year round, and it is to be subject to an alternate ad valorem duty of 30 per cent, and both these vegetables, so far as they can, may come in from British possessions free.

Lettuce arrives in boxes. If it arrives in prime condition those boxes contain ice in between the layers of heads. The producer asked for a specific duty of 2 cents a pound for a certain period. He has been given it all the year round with an alternate 30 per cent ad valorem duty, but the producer never for a moment imagined that the ten or twenty pounds of ice contained in that box would also be subject to 2 cents a pound duty. The minister again shakes his head. My evidence is pretty strong on that point, and if the minister will examine it he will find that that is what has been happening since the second of May.

Mr. DUNNING: My advice is to the contrary, but if my hon. friend is correct I can assure him that that will have to be fixed.

Mr. BENNETT: Good. The fixing process has begun.

Mr. STIRLING: Now, will the minister go one step further and fix the emergency tariff? There is another item with regard to strawberries. The grower asked that the rate on strawberries be raised from 2 cents to 3 cents a pound during the eight weeks of his production. The rate has been raised to 3 cents a pound; it is to be in effect all the year round with an alternative 25 per cent ad valorem. The grower fully expected that, as in the past, the thin baskets, the immediate container of the strawberries within the box, would be included in weight for duty. So they are. But he never imagined that the wooden box outside the baskets should also be subject to 3 cents a pound. Those boxes weigh 11 pounds. The trade having to pay 33 cents per box on strawberries for the pleasure of passing that rate on to the consumer, the consumer, when he realizes these little jokers in the budget, must in fairness to the producer not lay the blame on him.

Mr. CHAPLIN: This was to be an "orderly" tariff.

Some hon. MEMBERS: Order.

Mr. DUNNING: Perhaps some of the lumbermen over there will have something to say about it.

Mr. BENNETT: The lumber comes from the United States.

Mr. STIRLING: These illustrations I use to make my point that the government in its latter day has set aside its free trade principles

and in accepting protection has gone crazy. When these results are known and are resented, the consumer, the press and the public of Canada must not in fairness to the producer attempt to put the blame on him.

When a bricklayer's labourer lays to his hand a trowel and starts to build a wall, he slobbers the mortar over himself, over the wall and over the passers-by. His job has not been to use a trowel, but to fetch and carry bricks. Sometimes he drops a brick, just as this government does. The Prime Minister dropped a brick when he made his "five-cent" speech.

Mr. MANION: It lit on his head.

Mr. STIRLING: He dropped another brick just two years ago when in addressing a tense and anxious collection of farmers who crowded into the railway committee room he based his argument in reply on what was an absolute misstatement of fact. Now, Mr. Speaker, I am not asserting that the right hon. gentleman rose to his feet with the deliberate intention to say what was not true. Rather do I believe that that galloping tongue of his ran away with him. Although his attention was drawn to the fact in the subsequent debate which ensued in this house, so far as my knowledge goes he has not corrected it, he has not withdrawn it, he has not substantiated it, and I am quite sure he has not apologized for having made it. But he based his case on it. Those who listened to the Prime Minister's reply to the grievances which the farmers laid before the government were but the ears of a far greater multitude scattered throughout Canada, and that incident, I can assure this house, has neither been forgotten nor forgiven. Like the bricklayer's labourer, this government has in its latter end taken into its hand a new tool—a tool which in the past it has condemned as useless, pernicious, provocative, a tool that it is unaccustomed to use, and the first piece of work that it has turned out with it is this amateur budget, this piebald suggestion. Throughout Canada during the campaign and on election day the people will be turning over a thought in their minds, "Can we trust this government?"

Mr. MANION: No.

Mr. STIRLING: So far as the fruit and vegetable grower is concerned, he has already answered that question, "No, I cannot." For years past the government and their supporters have been vaunting their principles and deriding ours; they have been misconstruing our words and taunting us and disbelieving what we said in relation to this matter; they have put forward their own principle as something which is just and upright and on which a great Canada can be built; they have derided ours as a snare and a delusion. Now, when their tide is ebbing, when power is slipping from them they have grasped at this elusive protection, they have attempted to make use of it, and they have produced a fiscal jumble which will yet be their undoing; and if they blow up in this house without passing the budget, they will go into the campaign with the horrid thing tied to their tail; but if with their disconcerted majority they put it through they will have to push it before them in every riding throughout the Dominion. I have a strong impression, Mr. Speaker, that were a tense silence at this moment attainable, one's ears could catch a sort of gentle rushing sound as of a multitude in motion—a sound of the swing of the pendulum.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, in spite of the criticisms we have heard this afternoon of the budget brought down by the hon. Minister of Finance (Mr. Dunning), the favourable impression made by him on the first day of this month has not been dissipated during the days that have passed. In fact, the impression that it is a good budget has been confirmed from day to day. We have heard this budget analyzed by the hon. leader of the opposition (Mr. Bennett), by the hon. member for Vancouver Centre (Mr. Stevens) and by the hon. member for Fort William (Mr. Manion). The country has had an opportunity of reading the analyses made by the two first-named hon. gentlemen, and still we find that the papers throughout Canada are endorsing the budget.

After the budget speech was made by the Minister of Finance, that good old, outspoken, Tory paper of the city of Toronto, the mouthpiece of the Conservative party throughout the Dominion. The Mail and Empire, had this to say:

> The Dunning budget does not vary from the type with which the King government has made the country familiar. It is centred, as were its predecessors of Mr. Fielding's and Mr. Robb's framing, on the avowed object of cheapening production.

Another item from the same editorial:

> Though the government is worrying about its future it shows little sign of repentance. It still leans to the free trade principle for which, almost in its purity, Mr. King and his party declared in the convention of August, 1919.

That same paper does not applaud the budget brought down by the Minister of Finance, but those are statements which were contained in the editorial. A large portion of the press of Canada has been favourable to

us and the Minister of Finance has been congratulated from one end of Canada to the other on the step he has taken in the development of the British preference and in the furtherance of unity among the different parts of the empire. When General Smuts visited Canada in the early part of this year he referred to the fact that the past ten years have been spent in elaborating the status of the individual parts of the empire, in developing the freedom of the dominions through their respective constitutions, and in bringing about their recognition as equals in the empire and in the world. His appeal was for unity in imperial relations and he expressed the hope that the next decade might be devoted to giving reality to that unity. He referred to the fact that Canada had taken the lead in the development of dominion status and appealed to Canada once more to take the lead in the new program. Canada has now taken the lead. She began to do so in 1897, and she has taken a further step at this time with the intention of further moulding the empire.

Hon. members on the opposite side of the house have frequently said during the progress of this debate that there are many items in the budget brought down which will not benefit Canada, and that there will be given in reality no additional preference to British products. That is quite true and the Minister of Finance, when delivering his budget address, referred to them in these words:

> There have existed in our tariff, for years, many items carrying rates of duty in the British preferential column, but relating to commodities in which none of the various British countries has been an effective trader.

Hon. members of the opposition seem to take great delight in referring to the item of hay. In listening to the addresses of those hon. gentlemen I have been reminded of the fact that a drowning man grasps at a straw; apparently that is what hon. members are doing in this particular case when they refer to the items of hay and straw in the tariff schedule. I wonder if it is more absurd to have hay and straw come in free of duty from England than it is to have those commodities set out in our tariff as bearing a duty of 75 cents a ton.

Mr. DUNNING: That is the point.

Mr. BOTHWELL: It is quite true that we never expect to import hay and straw from Great Britain or any other part of the British Empire, and there is no reason for having a tariff of 75 cents a ton.

In connection with the budget and the tariff schedules in particular, I think the minister is to be congratulated on the fact that the changes made by him have been made after an exhaustive study by the Tariff Advisory Board. The Financial Post in its issue of May 8 takes the opportunity to congratulate the minister, in the following words:

> Possibly the most significant feature of the tariff changes is the indication it gives that Mr. Dunning will rely more largely than his predecessor upon the advice of the Tariff Advisory Board.

Mr. BENNETT: Hear, hear.

Mr. BOTHWELL:

> Mr. Robb appointed the tariff board but paid little attention to it, leaving the impression that it existed chiefly as a buffer between himself and claimants for tariff changes.

I might mention that the tariff board was only in existence a short time, and many of the items which came before it for investigation were never disposed of during the lifetime of our late lamented minister.

> But the Tariff Advisory Board is no pigeonhole for Mr. Dunning. From the changes announced one can see that many cases brought before the board have received careful consideration. The importance of this to Canadian business cannot be exaggerated.

No one who followed the sittings of the Tariff Advisory Board will deny the fact that there has been exhaustive investigation by that board. Any person who was interested in the work of the board and who had an interest in any application before the board was entitled to appear there and to be heard, and the board gave consideration to representations made before it. No person will deny that the Tariff Advisory Board has been a great addition to the departmental features of our government. Many hon. members opposite have for the past few years been concerned very much with the operations of the Tariff Advisory Board and particularly with the work of the Consumers League. Questions have been asked in this house and they have been answered; yet it does not appear from the questions which are asked that hon. members opposite have taken the opportunity to find out what the Consumers' League stands for. When the Tariff Advisory Board was first formed it was the belief of many people throughout Canada that there was the possibility of highly organized associations, such as the Canadian Manufacturers' Association, appearing before that board and presenting only their side of the case. The facts in connection with various applications which might be made by such associations would be peculiarly within the knowledge only of the firms represented. The idea behind the formation of the Consumers' League was to have

someone present to cross-examine the witnesses who were applying for increases in tariff, and possibly to cross-examine those who were applying for decreases. The Consumers' League was not formed as a free trade organization; nothing in its articles of incorporation would indicate that. For the benefit of members of this house I wish to place on Hansard the objects for which it was formed:

1. To consider and discuss all applications made to the board on tariff, taxation and other related matters, otherwise known as the Tariff Advisory Board, and to oppose and resist any applications which may seem calculated to so change the tariff laws that the public generally will be detrimentally affected.
2. To procure information concerning tariffs and the effect of same on industries concerned, and the public generally, and for such purpose, and in order to lay such information before the Tariff Advisory Board, to maintain representation before such board at all its sittings.
3. To consider, originate and submit applications to the said Tariff Advisory Board for changes and adjustments in the tariff laws, where such changes or adjustments are deemed to be in the public interest.

Representatives before the Tariff Advisory Board appearing in behalf of the Consumers' League have admitted that there should be increases in tariff in some particular cases, because it was necessary to grant such increases in order to equalize the items with the other tariff schedules. When the leader of the opposition (Mr. Bennett) took occasion to analyse the budget he referred to articles written by R. J. Deachman, the representative of the Consumers' League before the tariff board. He took delight in referring to the Liberal government as walking up to the penitent bench, but there are certain words in the same article which he did not stress. They are:

Minor upward changes may take place. In trying to adjust a tariff downward it would be remarkable if there should not happen to be odd items which called for the reverse process. The general trend of the budget, however, will be downward, not upward.

And again:

There may be items in a Liberal budget to the cold eye of the observer which may have a Tory shade. Possibly the reverse might happen in a Conservative budget.

The article goes on to say:

The Conservatives accept the idea of increased preference to Great Britain. They would apply it exactly as Australia has applied it. That is, they would raise the tariff against the United States, against Europe and even against Great Britain. The idea would be to make a wall over which Great Britain could not climb, and then erect one over which the rest of the world could not see. All this, remember, in a spirit of devotion to the manufacturers of Canada.

Behind that wall our manufacturers, in a large measure controlled by American capital, would exploit the Canadian. The extent of this exploitation would be limited only by the capacity to bear.

I want to say at this time, Mr. Speaker, that the articles written either on behalf of the Consumers' League or by Mr. Deachman personally are not the main object of the organization, which is to bring out facts upon which a reasonable and sensible kind of tariff can be imposed. We realize that it is very difficult for the tariff board to get at all the facts, and we know the same difficulties exist in other parts of the empire.

The opposition in this house seem to have only one panacea for all ills; that is, increased tariffs. Australia tried that policy and the result has been that Australia is not prosperous; debts are increasing and trade has declined. To-day Australia is in the worst financial position of any member of the British commonwealth of Nations. The government of Australia, realizing where they were drifting, in 1927 appointed a commission of economists to report on the tariff situation there, and that report is well worth reading. One of their conclusions is:

The interests of the government itself are apt to tempt its members and supporters to acquiesce in some dubious extensions of protection because of the revenues gained incidentally . . . . Each industry should be required to show cause from time to time for the protection it enjoys, and should establish beyond question the fact that it is not receiving a greater subsidy than it needs. Every other means of promoting new industries should be exhausted before recourse is made to the tariff. The present costs of protection are dangerously high.

They say further:

The tariff has increased the proportion of customs to total taxation beyond the limits economically desirable. As the tariff grows, its costs overtake its benefits. It has stimulated the demand—never latent in Australia—for government assistance of all kinds. Further increase may threaten the standard of living. Therefore, no extension of the tariff should be made without the most rigorous scrutiny of the industries concerned and the costs involved.

With regard to wages and protection it points out that high labour costs may be due to bad organization as much as to high rates, but the only standard of living that a tariff can protect is one which the resources of the country can provide. Again and again the report urges that full information of costs and profits should be available to the board.

Our situation in Canada is much the same as that in Australia. As I said a moment ago, it is difficult to get all the facts before the tariff board. If manufacturers in Canada, who

are now enjoying protection at the expense of the rest of the people, were compelled to carry out the recommendations of that Australian commission, we might have a different story to tell; that is, each industry should be required from time to time to show cause for the protection it enjoys and to establish beyond question the fact that it is not receiving a greater subsidy than it needs.

Coming again to some features of the budget and particularly with regard to the extension of the British preference. As I said a moment ago this feature of the budget has apparently been appreciated throughout Canada from coast to coast. The history of the Liberal party in Canada has been one of continued advance in the exchange of trade with other parts of the empire, and it only took the situation in connection with our grain crop last year to bring home to us the fact that we need to find markets other than those of Canada, and that we need to cooperate with our best customers and to deal with other parts of the empire. The president of the wheat pool applauded the budget in these words:

The Saskatchewan wheat pool organization has been on record for some time as being in favour of any steps which would result in a larger interchange of products between the United Kingdom and Canada, and, naturally, the increase in the British preference would appear to be the most effective means of giving promise of development in that direction. The United Kingdom is the biggest single market we have for our western wheat, and if the increase in the British preference will result in a larger amount of buying of British goods it should be in the interests of both countries.

We also have the following words of Mr. M. J. Coldwell, a member of the Saskatchewan Farmers' Political Association:

From a cursory glance at the budget, the downward revision of the tariff rates is a move in the right direction.

Then we have also the Ottawa Journal, apparently the official organ of the party in the Capital:

While the budget in the main must be necessarily controversial, one feature of it, the Journal believes, will receive pretty general commendation. It is that feature which removes the duties from fruits and vegetables imported from the British West Indies. This is not merely something of promise for the Canadian consumer. It is a step, a very substantial one, in the direction of something that has been supported in past years by all parties, namely, the encouragement of mutual trade between Canadians and the people of the West Indies.

And again:

What is now done, we believe, will tend greatly to further increase trade between the two countries, and, incidentally, heighten the chances of success for the recently inaugurated steamship service of the Canadian National Railways.

We also find these significant words in the Ottawa Journal of this afternoon:

Trade of U.S. Hit Hard Blow by New Tariff
American Official in Ottawa Send Report on Budget
Will Cut Trade About $225,000,000

Canada's new tariff will affect American trade with the Dominion "adversely in most instances" to the amount of $225,000,000, it is estimated in an analysis of the Dunning budget from the United States point of view, which has been forwarded to Washington by Lynn W. Meekins, commercial attache, and A. H. Thiemann, assistant trade commissioner of the United States in Ottawa.

In connection with the fruit and vegetable schedules, dealt with at some length by the hon. member for Yale, I want to correct some misstatements which have been made in the press during the last few days. A despatch appearing in the Toronto Star of May 9, 1930, has this to say:

Raise In Vegetable Prices Has Come with New Tariff.

The article continues to quote the prices of different commodities as of May 1 and as of May 9, as follows:

| Commodity | Retail Price May 1 | Retail Price May 9 |
|---|---|---|
| Carrots | 3 bunches 25 cents | 10 cents bunch |
| Head Lettuce | 10 cents head | 15 cents head |
| Bananas | 25 cents dozen | 30 cents dozen |
| Grapefruit | 10 cents each | 15 cents each |
| Tomatoes | 20 cents pound | 30 cents pound |
| Cauliflower | 25 cents head | 30 cents head |
| String beans | 15 cents—20 cents quart | 25 cents—30 cents quart |
| Celery | 15 cents bunch | 20-25 cents bunch |
| Beets | 3 bunches 25 cents | 10 cents bunch |
| Asparagus | 3 bunches 25 cents | 10 cents bunch |
| Spanish oranges | 25 cents dozen | 30 cents dozen |

In looking over these items and comparing them with the tariff schedules we find that the rates on bananas, grapefruit, string beans and Spanish oranges have not been changed in any way, but apparently someone took advantage of the fact that there was a new

budget in order to raise the prices to the consumer. In connection with cabbages, on which there is a specific duty of one cent per pound, the increase in price would amount to about two-fifths of a cent a bunch or roughly two cents on three bunches, but the price has been raised five cents. On cauliflower it would mean an increase of a little less than 3 cents and they have raised it 10 cents; on celery it would mean an increase of $\frac{2}{3}$ of a cent per bunch, and they have raised it 5 to 10 cents; on tomatoes the same ad valorem duty is in effect, and there is absolutely no change; on spinach there is an increase of $\frac{1}{3}$ of a cent per pound, and on that particular date, May 10, the price of spinach was 50 cents, whereas on the day before it was $1.25; on head lettuce it meant an increase of $\frac{4}{5}$ of a cent per head, and they increased the price 5 cents, and on asparagus the price was increased from 3 bunches for 25 cents to 10 cents a bunch. The latter is approximate because I was not able to obtain an exact quotation on asparagus.

Mr. SPENCE: What is the hon. gentleman quoting from; what newspaper did he get that information from?

An hon. MEMBER: None of your business.

Mr. SPENCE: There is not a word of truth in the whole thing.

Mr. BOTHWELL: This is obtained from the Toronto Daily Star.

Mr. SPENCE: I just thought of the Star.

Mr. CHAPLIN: Good night!

Mr. SPENCE: There is not a word of truth in the whole thing.

Mr. SPEAKER: Order.

Mr. BOTHWELL: Those are the facts. There is other evidence in addition to that offered by the Toronto Star. The hon. member will have an opportunity of hearing witnesses at any time he desires, because they are here in the house. Those witnesses have made inquiries as to the increased prices asked, and have also figured out the difference in prices.

Mr. SPENCE: There is not a word of truth in the whole statement.

Mr. BOTHWELL: In figuring out the changes, we have taken into consideration the changes made in the tariff. Besides the quotation I have used, there are other facts which can be presented to show that these increases were suggested by the trade.



Mr. CAMPBELL: Did I understand the hon. gentleman to say that there was no change in the tariff schedule on tomatoes?

Mr. BOTHWELL: No, I said there was no change on the 10th of this month. On that day tomatoes were quoted under the ad valorem rate, and there has been no change made in that rate.

Mr. CAMPBELL: The tariff provides that the rate shall not be less than 2 cents a pound; that is a large increase over the old tariff.

Mr. BOTHWELL: On the 10th day of this month the specific duty on tomatoes was 2 cents per pound, and the shipping value of a case of tomatoes is $3. A case weighs 40 pounds, and the specific duty would be 80 cents while the ad valorem duty would be 90 cents. The ad valorem rate is 10 cents higher than the specific rate.

Mr. CAMPBELL: Does that rate include crates?

Mr. BOTHWELL: That rate includes crates. The specific rate may be too high in some instances, but I have no doubt that we will have an opportunity of discussing that matter when the resolutions are brought before the house by the Minister of Finance (Mr. Dunning). I am quite sure that if the necessary facts are presented to show that these specific duties are too high, changes will be made.

In discussing the countervailing duties, I intend to deal with only one item. I was very much surprised to find that last year the province of Ontario imported from the United States 1,430,413 bushels of wheat, and 3,396,248 bushels of oats. There is a considerable surplus of wheat in western Canada and no difficulty would be encountered in supplying the markets of Ontario, but apparently some time during the past year they were able to purchase American wheat plus the duty at a favourable price over the cost of western wheat. I do not know why they were purchasing in the United States.

Mr. BOURASSA: Because they were loyal.

Mr. BOTHWELL: Possibly too loyal, but the fact remains that they purchased about 1,500,000 bushels of wheat and about 3,500,000 bushels of oats. With the countervailing duties in force, those grains will now come from western Canada.

Mr. STEWART (Leeds): That is protection for you.

An hon. MEMBER: It is doing some good, anyway.

Mr. BOTHWELL: The budget has not only reduced the tariff, as was referred to in the article appearing in the Mail and Empire, which I read previously, but it has done many other things. I have dealt already with the increases in the British preference. It has exempted cooperative marketing organizations from the payment of income tax; a 50 per cent reduction has been made in the sales tax, and a further reduction of some $44,000,000 is shown in our national debt with the consequent reduction in interest commitments. Why would not a budget of that sort appeal to the people of Canada? I was rather amused in reading in the Ottawa Citizen this morning a report of a statement made by the hon. leader of the opposition at a convention in Guelph. This statement is as follows:

> Was Canada, he demanded, likely to trust "novices" with their newly adopted policy? The judgment of the Canadian people could be trusted. "Whenever you have any convert doing something he has not been brought up to do he will always make a mess of it."

The hon. leader of the opposition seemed to be afraid that this government would not administer the tariff on fruits and vegetables or any other tariff which might be imposed. He must have known that during all the years this government has been in power it has made a more successful use of the facilities at hand than had any other party. During the past five years this government has put Canada in the position of being able to reduce the capital debt by some $257,000,000, which debt was largely imposed by the hon. gentlemen on the other side when they were in power. The statement of the leader of the opposition is more amazing when one considers the time and place at which it was made. If I remember rightly, and I think I do, the convention was being held for the hon. member for South Wellington (Mr Guthrie) who is a rather recent convert to his side of the house. In listening to-day to the remarks of the hon. member for Fort William (Mr. Manion) I was reminded of the fact that he is another convert of recent years.

Mr. VENIOT: They cannot be trusted.

Mr. BOTHWELL: That wonderful peroration which was delivered this afternoon and which seemed somewhat volatile—I thought it would disappear in thin air—made me think that perhaps his leader had better watch out or this convert would out-Herod Herod.

With the changes which have been brought into effect by the budget; with the changes which have taken place in the tariff, applauded as they are from one end to the other of Canada; even the Conservative press of Ottawa and the Financial Post—never too favourable to this government—applauding certain features of the budget, and the Ottawa Journal stating it will divert some $225,000,000 worth of trade to other parts of the British empire rather than to the United States; with the reductions that I have spoken of in the national debt and with a reduction in the sales tax, I feel satisfied that the people of Canada will insist on retaining in power a government that has been able to make the showing that the present one has during the last five years.



Mr. A. E. ROSS (Kingston City): Mr. Speaker, I will not take any time to deal with the remarks of the last speaker, because I want to do something unique, and that is to give my conclusions in regard to the budget at the beginning of my speech rather than to fail to give them at the end for lack of time. So far as I have been able to study the budget, my conclusion is that it has been born in ignorance, as I think I shall be able to prove later. It is a budget disturbing to trade and merchandising. There are already in it too many specialized items which are causing our merchants and others a great deal of trouble. A man in business to-day who buys sprayers must secure from everyone to whom he sells them certificates that they are to be used for agricultural purposes. In the same way in regard to some of those small items of iron and steel, people who are doing business to-day will find that their burdens are only beginning.

In the third place this budget will meet with many amendments before it is put into full operation and I believe the number will be very considerable before the minister will dare submit the budget to the country at large. In the next place it is a budget that gives an impracticable British preference, throwing open lines of trade which will never be taken advantage of and leaving out lines in which Britain could be given exclusive advantage. Next, it is a budget the effect of which will be to give employment to other than the white races in different parts of the British Empire in preference to the white farmer and the white farmer's assistant in Canada. Whether this trade is in the West Indies or in the United States, the Canadian agriculturist suffers if vegetables are bought in the West Indies; others from fireworks, firecrackers and eggs brought from Hong Kong. The whole budget is a window dressing, a renumbering of houses which have already been renumbered in previous budgets. It is a consummation of things that have been done in the past, now brought before the

Canadian public with the intention of misleading them into thinking that this is being done for the first time. The protective features of the budget, in regard to butter and coal, have been squeezed from the government by the opposition benches; they have not been granted voluntarily. The government have had practically to be throttled before they could be made to grant these advantages in the case of the duties on butter and coal. It is a budget foretelling a bad financial position which the Minister of Finance (Mr. Dunning) is afraid to show. It admits nine years of misrule. It is a climax of flimflamming government.

Mr. CHAPLIN: What is the meaning of "flimflam"?

Mr. ROSS (Kingston): It is a budget consisting of flimflam and more flimflam. It is an admisison that for nine years the government has been destroying industries in the Dominion, thereby causing the migration of thousands of our Canadians, and now they pretend to wash their hands with a little British preference and protection. I am reminded of the words of Macbeth:

> Will all great Neptune's ocean wash this blood
> Clean from my hand?

I have said that this is a budget born in ignorance. The truth of that statement could not have been more amply demonstrated than it was yesterday by the Minister of the Interior (Mr. Stewart), when he tried to point out that many of these articles, which he named in his speech, were, as he believed, new, being given for the first time to the people of Canada. Yet in different budgets prior to this all these articles have been named. In the budget of 1929 all the printing apparatus mentioned by the Minister of the Interior is named, being admitted free. Many of the things to which he has referred have been dealt with in former years, and so I say that the budget is nothing more than a window-dressing, a renumbering of houses, a taking down of old signs and putting up above the shop the name of Dunning. At the same time we were shown the great interest taken by another member of the government when the Minister of the Interior was speaking. We saw the Minister of Railways (Mr. Crerar) sprawled all over his desk, sound asleep; he was not able to be disturbed.

Mr. KING (Kootenay): I take exception to that. I often see members in the house putting their heads down who are not asleep and the Minister of Railways was certainly not asleep.

Mr. ROSS (Kingston): It was a very peculiar attitude for a minister of the crown to assume in the house. It might be good enough for some of the rest of us, but in the house and on a serious matter it was not a dignified position for a minister of the crown.

Mr. KING (Kootenay): That is pretty small politics.

Mr. ROSS (Kingston): In budget speeches the Minister of Finance always refers to and bases the features of the budget on his interpretation of the general condition of the country. For years past we have listened tc explanations of the prosperity of the Dominion. This was claimed to be due to a benign Providence smiling upon his favourites sitting on the government benches, but the absence of this will be noted in the present budget. I would like to draw the attention of the Prime Minister to the lack of the spiritual effect of the budget. Is it possible that a benign Providence has lost confidence in the government and is no longer smiling upon it? This seems to be the case even if we have no other evidence than the circular which has been issued by the Minister of Agriculture (Mr. Motherwell), through his deputy minister, drawing attention to the fact that Canada is no longer an exporter of agricultural products and trying to waken up the agriculturists because they have lost their interest and because the industry has been injured by the government in different ways and is suffering.

We have now started on a new year with what looks like a deficit, so much so that the Minister of Finance has refused to complete the budget, but such figures as he gave show a deficit of at least $14,000,000 for the coming year. I shall not attempt to refer further to matters of debt and so on, because they have been thoroughly dealt with from this side of the house.

I should like to call the attention of the house to a strange spectacle that occurred on May 1, when a Liberal Minister of Finance rose and delivered a budget containing features of a character inconsistent with the former pledges, policies, speeches, prayers and denunciations of each and every member on the government side. We noticed with what eagerness the Minister of Justice (Mr. Lapointe) rose and shook hands with the finance minister on that occasion, and I can imagine that the words he uttered were, "Thank you for not touching boots and shoes." Next came the Minister of Trade and Commerce (Mr. Malcolm) to congratulate the finance minister, and I can imagine him saying, "Thank you for not touching furniture. Touch anything else, but

please leave furniture alone." Surely, Mr Speaker, Laurier, Cartwright, Paterson and other outstanding policy makers of the great Liberal party now beyond the vale must have felt a great roll given to their bodies when they found the Liberal party had in a small measure come to the policy of protection. The members of that party who on May 1st last listened to the budget speech of the Minister of Finance and applauded must have hurried to destroy past Hansards containing the record of the speeches which they have been delivering in this house during the last nine years, but they can never be wiped out. The record will always stand.

There are three features of this budget with which I should like to deal. First is the change in the complexion of the government's policy and the introduction of a small measure of protection in the budget. Many across the way have so often made declarations that they were low tariff men or men who believed in no tariff at all. Again and again the hustings have resounded with such declarations from the hon. member for Lisgar (Mr. Brown), the hon. member for Qu'Appelle (Mr. Millar), the hon. member for Selkirk (Mr. Bancroft), the hon. member for Dauphin (Mr. Ward), the hon. member for Marquette (Mr. Glen), and the hon. member for Provencher (Mr. Beaubien). Now they fold their arms and bow their heads. Perhaps they may be doing the same as the Minister of Railways and Canals. It does look to us as if they were praying for light or mercy and for something to blot out their past record as they look on that great increase in the duty on cast iron pipe and on vegetables brought about by this budget. When there was a likelihood of tariff increases in past years, how vehemently they opposed and ridiculed the idea. Listen to what the Minister of Railways and Canals said in 1922, when he was the head of a group of sixty-five members on this side of the house:

> There are those who have said that if the United States raises the tariff against our wheat and against our live stock, we should raise our tariff against them by way of retaliation. What an absurd policy!

What is being done to-day? That very thing, except that the word "retaliation" is hidden behind the less commonly used term, "countervailing duties." He went on to say:

> I am convinced that the principle of protection is not suited as a fiscal policy for this country, and this country will never develop as long as protection is embedded as the guiding principle of our fiscal policy.

What does this budget do? The Minister of Railways and Canals, as one of the guiding spirits, has led the great exodus across the floor of this house and there they sit on the government benches quite happy no matter what their past declarations may have been. Will anyone with a knowledge of parliamentary history and practice explain how an honest man can lend himself to such abject humiliation without one word of explanation or apology? And yet the Minister of Railways and Canals, with that large group behind him in 1922, used the words which I have just quoted. Can a Prime Minister steeped in knowledge of constitutional history and legislation demand such incomparable abasement of his ministry? Can a man who has been head of one of the greatest organizations in this country be so indifferent to public opinion as to stultify himself in this way for the sake of office?

Mr. CANTLEY: Bring him in so we can see him.

Mr. ROSS (Kingston): What an absurd policy, said the Minister of Railways in 1922. If it was absurd in 1922, is it not absurd in 1930? If it is absurd on one side of the house, is it not absurd on the other?

Mr. HANSON: Bring him in. Let him face the music.

Mr. ROSS (Kingston): If the Minister of Railways is not aware of what is expected of public men, I would like to refer him to the words of the Hon. George Brown, the great leader of the Liberal party, who expressed himself in this beautiful language; which may bring back the Minister of Railways to a realization of public opinion. The Hon. George Brown said:

> If, sir, a public man avows certain principles, agitates these principles, and seeks to overthrow the government of the day and establishes those principles, and if when he attains power, he laughs at his principles and casts his professions to the wind, he is aiming a blow at public morality.

There are other statements that I should like to quote. We have the words of the hon. member for Kamouraska (Mr. Bouchard) which will be found at page 1302 of Hansard, 1929:

> High protection is a menace to our farming class, and even to our national unity.

And yet there are duties in this budget higher than anyone ever anticipated. I would also call attention to this beautiful sentiment expressed by the hon. member for Lisgar:

> If farmers accept protection of three or four cents a pound on butter, these protectionists would howl for joy, and there would be no occasion for farmers then to send representatives to parliament to express views similar to mine.

Are those words prophetic? Step by step the Prime Minister has made use of these members, and now that their usefulness is terminated there only remains for them to swallow the hemlock, like Socrates, and die. Where are they now? Have they, like Achilles, all gone to their tents to sulk?

The hon. member for North Timiskaming (Mr. Bradette) stated that a long list of congratulatory telegrams had been received from all parts of this country congratulating the government and the Minister of Finance on the budget. How many came from the west? I am certain that voices from the west are coming down through the gloom to the ears of the government, asking: Are the words that you spoke in 1922, 1923, 1924, 1925, 1926, 1927, 1928 and 1929 all bunk? Or is the budget speech of to-day all bunk? You cannot be right in 1922 and right in 1930.

May I ask you, Mr. Speaker, to call it six o'clock?

Some hon. MEMBERS: No.

Mr. DEPUTY SPEAKER: It is still a quarter to six.

Mr. STEVENS: No courtesies.

Some hon. MEMBERS: Call in Crerar. Bring in your minister.

Mr. ROSS (Kingston): It is only twelve short months since an amendment was introduced pleading for an increase in the British preference. Every one on this side of the house supported that amendment, but there was a great deal of opposition to it from the other side. They simply said: We have been considering the question. To-day we have the introduction of the British preference as the second feature in this budget. Like many others, I thought the budget contained some meat, that there was something really worth while in its gesture to Great Britain of the extension of the British preference, until I began to analyze the items. I am now going to give to the house a list of the articles set out in the budget, from which it will be apparent to every hon. member how eager this government has been to extend the British preference by their selection of the articles to be so treated.

In his speech yesterday, the Minister of the Interior (Mr. Stewart) mentioned certain articles on which the extension of the British preference would confer a benefit to the housewife, to the farmer and to all other Canadians. Among those articles he mentioned milking machines. Now, let us take the trade returns and find what has happened in respect to milking machines. In 1925 Great Britain sent us $3,300 worth; in 1926, $327 worth; in 1927, $653 worth; in 1928, $345 worth; in 1929, $401 worth. As against these small importations from Great Britain, we imported from the United States $21,041 worth in 1925; $19,682 in 1926; $40,470 in 1927; $47,147 in 1928; and $61,464 in 1929.

Mr. MALCOLM: If there was no business to transfer there would be no purpose in extending the preference.

Mr. ROSS (Kingston): If the hon. Minister of Trade and Commerce will listen a little longer he will get my point. The Minister of the Interior also mentioned pasteurizers. In 1929 Great Britain sent us one of a value of $338, while the United States sent us 144 representing a value of $110,391. Then let me take ploughs: Great Britain sent us $153 worth in 1925; $170 worth in 1926; $708 worth in 1927; $163 worth in 1928; and only $93 worth in 1929; while the United States sent us ploughs to the value of $613,756 worth in 1925; $1,123,324 worth in 1926; $1,648,462 worth in 1927; $1,731,330 worth in 1928; and $2,151,498 in 1929. Let me take fanning mills: Great Britain sent us 2 in 1925, 1 in 1926, none since; but the United States sent us 1,891 last year in spite of a 10 per cent duty. Now, rollers—and I should like hon. members to note this: in 1925 Great Britain sent us $408 worth and in 1929 $715 worth with a 5 per cent duty against her; but the United States, despite a duty of 10 per cent, sent us in 1925 $884 worth and in 1929 $10,177 worth. Next I take spraying machines: in 1929 Great Britain sent us $3,646 worth; but the United States sent us $331,233 worth. Nuts and bolts: Great Britain sent us $836 worth; but the United States sent us $155,376 in that year. And the same disparity is apparent in containers for fuel, skates, safes, bath tubs, cream separators, rakes, childrens' carriages and sleds, wheelbarrows and buggies.

Now, let us take the second class of items where the duty has been reduced. The first item is typewriters: in 1929 Great Britain sent us 19, valued at $1,171; the United States sent us 20,832 valued at $1,112,228. Calculating machines: Great Britain sent us 3 in 1929 valued at $104; but the United States sent us 9,895 valued at $1,268,644. Electric fixtures—and here is one of the greatest inconsistencies of this budget. If the Minister of National Revenue can tell us what electrical parts are made in Canada and what are not, then he has a knowledge of this budget that a great many other people lack. But the point I want to make in regard to these figures is that the government for nine long years

have been building up a trade with the United States amounting to millions of dollars, and now they say that by just a piece of paper, or a gesture, they can divert that trade to Great Britain. But to carry out their purpose they have chosen articles which Great Britain does not send us, or at best sends us in small volume, and I shall refer to them again before I sit down. I am now going to deal with articles on which, had they chosen, the government could have given Great Britain a substantial preference. Why did not they check up the schedules and find out the articles which Great Britain was exporting to Canada and then given her a preference on those articles as against the United States? Instead of doing that, as a mere gesture, as an attempt to do something that they spoke against and voted against last year, they now come forward and say, "Here is what we are going to do for Great Britain; here is our extension of the British preference on articles that we can never bring into this country from Great Britain." Why did they choose a number of articles—and there are over a dozen; I will specify them later—on which to give a preference to Great Britain and thus increase her trade with us?

I shall refer to the item of countervailing duties. The word "countervailing" signifies a retaliation or protection, and to my mind it is unfortunate that the minister has picked out a name for this particular kind of duty which so many people do not understand and about which they have to consult the dictionary. At this point I am forced to refer again to the Minister of Railways because he was the leader of the party which has kept the present government in power. I shall make special reference to his words as they appear in Hansard of 1922:

> I venture to predict that within a few years the United States will have its face set definitely against the principle of a protective tariff.

Mr. BENNETT: Page Mr. Crerar.

An hon. MEMBER: It is six o'clock.

Mr. ROSS (Kingston): Mr. Speaker will no doubt remember the time when he sat down here and he will appreciate how the minister is qualified for his position. To continue with the words of the minister:

> We, of the Progressive party, stand unalterably opposed to the principle of protection—

I wish to make that as clear as I can make it.

Mr. BENNETT: Page Mr. Crerar.

[Mr. A. E. Ross.]

Mr. ROSS (Kingston): At a later time he asks:

> What use is protection to the Canadian dairymen who are producing far away and beyond what can possibly be consumed in Canada?

Mr. BENNETT: Not now, though.

Mr. ROSS (Kingston): And at a later time he states:

> I have said that the budget is protectionist. I want to point out to the house that in 1919 I left the government of the day because it brought down a budget that was very little different from the one that is submitted now. Under these circumstances, sir, I cannot support the budget proposals of my hon. friend the Minister of Finance.

And yet cast iron pipe is 100 per cent higher than it was proposed to be made at the time he left the government.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

## PRIVATE BILLS

### CALGARY AND FERNIE RAILWAY COMPANY

The house in committee on Bill No. 136, respecting the Calgary and Fernie Railway Company—Mr. Young (Toronto)—Mr. Johnston in the chair.

Section 1 agreed to.

On section 2—Former limitations repealed.

Mr. ADSHEAD: I do not seem to have the reprinted bill, but I should like to ask the sponsor if there is to be any money expended on construction this year?

Mr. YOUNG (Toronto): I think I can assure the hon. member that very material progress will be made and that a great deal of money will be spent along the line of railway by allied companies in the development of coal areas. The provisions which are repealed would be nugatory if they operated, because more money has been spent in the last two years than is required under those provisions. The intention is to go right ahead.

Section agreed to.

Bill reported.

Mr. YOUNG (Toronto) moved the third reading of the bill.

Mr. ADSHEAD: There is one other question I should like to ask the hon. member. Is there anything in the bill in connection with the fair wage clause? I do not see it here.

Mr. YOUNG (Toronto): When this bill comes before the Senate committee to-morrow the principals of the company will be there and I think they will give my hon. friend ample assurance that the fair wage clause will be observed.

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

## DIVORCE PROCEEDINGS

### RIGHT OF MARRIED WOMEN TO ESTABLISH DOMICILE

Mr. W. J. WARD (Dauphin), moved the third reading of Bill No. 31, respecting jurisdiction in proceedings for divorce.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, on the second reading of this bill I gave my views in connection with it and my objections to it. As I stated then, this bill is a departure from the well-known principle of British and international law which provides that the test of jurisdiction in matters of divorce is the domicile of the parties, which is the domicile of the husband so long as the marriage bond exists. I do not desire to repeat what I then said, but once more I wish to register my objection to this bill.

The house divided on the motion (Mr. Ward), which was agreed to on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Bancroft,
Barber,
Bell (Hamilton West),
Bennett,
Bird,
Black (Yukon),
Bock,
Brown,
Campbell,
Cayley,
Chaplin,
Charters,
Coote,
Crerar,
Donnelly,
Esling,
Euler,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Garland (Bow River),
Gershaw,
Glen,
Gray,
Hall,
Harris,
Hay,
Hepburn,
Ilsley,
Irvine,
Jelliff,
Johnston (Long Lake),
Kaiser,
Kellner,
Kennedy,
King, Mackenzie (Prince Albert),
Ladner,
Lawson,
Lovie,
Lucas,
McLean (Melfort),
Macphail (Miss),
McDiarmid,
McGregor,
McPherson,
Matthews,
Maybee,
Millar,
Milne,
Murphy,
Peck,
Pettit,
Plunkett,
Ralston,
Ross (Moose Jaw),
Simpson,
Smoke,
Speakman,
Spence,
Spencer,
Steedsman,
Stevens,
Stewart (Leeds),
Telford,
Thompson,
Thorson,
Ward,
White (London),
Woodsworth,
Young (Saskatoon),
Young (Toronto Northeast).—74.

NAYS

Messrs:

Beaubien,
Benoit,
Bertrand,
Bouchard,
Boucher,
Bourassa,
Bourgeois,
Bradette,
Cahan,
Cahill,
Casgrain,
Chevrier,
Delisle,
Denis,
Descoteaux,
Deslauriers,
Dionne,
Dubuc,
Dumaine,
Dupuis,
Fafard,
Ferland,
Gervais,
Goulet,
Guerin,
Lacroix,
Laflamme,
Langlois,
Lapierre,
Lapointe,
Lavigueur,
McMillan,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Morrissy,
Perras,
Pouliot,
Prévost,
Rinfret,
Roberge,
St-Père,
Séguin,
Smith (Stormont),
Spotton,
Sylvestre,
Veniot,
Vervile.—47.

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

Mr. RYCKMAN: I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Morin). 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 against the motion.

## GOVERNMENT CONTRACTS

The house resumed from Friday, April 4, consideration of the motion of Mr. Guerin for the second reading of Bill No. 39, respecting government contracts.

Mr. MACKENZIE KING: I understand that the Minister of Labour (Mr. Heenan) desires to be here while this bill is being discussed. Would it inconvenience my hon. friend to have it stand over?

Mr. GUERIN: I am very anxious that this bill should pass, as it will have considerable effect upon labour, especially in so far as Montreal is concerned. It will affect the con-

tracts which have been given in connection with the building of the new Canadian National railway terminal. Demolition now is going on and the rule still prevails that young men only are to obtain work. I wish either to see the bill go through, or to have some guarantee given that action will be taken which will ensure people obtaining employment independent of their age. The system prevailing at the present time is very bad, and unless something is done the session will close without action being taken.

Motion agreed to, bill read the second time and referred to the select standing committee on industrial and international relations.

## THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto of Mr. Bennett, and the amendment to the amendment thereto of Mr. Fansher (Last Mountain).

Mr. ROSS (Kingston City): Mr. Speaker, when the house rose at six o'clock I was dealing with what I considered to be the third feature in this budget—countervailing duties. The word "countervailing" frequently is used instead of the word "retaliation" or "protection." I was referring to some remarks made by some of the members who led that great exodus from this side of the house to support a government which they believed to be a low tariff government. I was reminding some of those members of the statements which they had made in the house in former days, and I have one more to which I would like to refer. The following statement, made by the hon. member for Marquette (Mr. Glen) will be found on page 1012 of Hansard of 1929. In dealing with the matter of retaliation, he said:

> In closing I wish to say something on the doctrine of retaliation as preached by the Conservatives. I heard with dismay the other night the astounding proposal of the hon. member for Vancouver South (Mr. Ladner), that the government be given authority to make immediate tariff changes to meet any fiscal changes that may take place in the United States. I can hardly imagine that any responsible member on the Conservative benches would support or even countenance a proposal so preposterous. Let me say to the hon. member that I cannot understand how under any conceivable circumstances any western member would delegate to any government such an exclusive parliamentary privilege in connection with so contentious a subject as the tariff.

[Mr. Guerin.]

I would like to ask the hon. member for Marquette how he can be so inconsistent as to delegate to the government by means of his vote that same kind of privilege.

The next point I would like to discuss is in connection with the figures I quoted this afternoon and which showed that the government had followed for nine years a policy of trade which they now intend to destroy on the assumption that that trade would be turned over to Great Britain. I pointed out the fact that in many of these articles there was no possibility of the trade being turned over to Great Britain. I might be asked the question: Well, what would you do? And I would reply that in these schedules there are certain articles which might be taken up and on which the duties might be so arranged that Great Britain might have the exclusive trade in them. For instance, I find that Great Britain is at present supplying nearly all the anchors required in Canada, but this article is on the free list. Why not make it free for Great Britain with a tariff against any other country that might compete? Another article is fish-hooks, which were made free by the government a year or two ago. I find that Great Britain is supplying $20,000 worth and Norway $19,000 worth of these articles. This is another commodity which might very well be handed over exclusively to Great Britain, because evidently fish-hooks are not made in this country and we are not trading in them with the United States.

According to the trade returns, table knives, forks and spoons are articles that Great Britain wishes to trade in with us and arrangements might very well be made to give her the preference in that regard. As for pins, $58,000 worth come from Great Britain and only $36,000 worth from the United States. Why not give Great Britain a preference on this commodity, and the same with needles, $146,000 worth of which come from Great Britain and $193,000 worth from the United States? These exemplify certain articles mentioned in these schedules which the government could reasonably take in hand and by arrangement give the trade to Great Britain, but as regards many of those I have mentioned this afternoon there is no possibility of their coming from Great Britain.

But that is not our policy. Our policy is this, that all these articles should be made in Canada. Let me point out certain other articles that are mentioned, and ask the house

if there is any reason why they should not be made in Canada? These are the articles:

| Articles— | Importations |
|---|---|
| Piano parts | $ 185,000 |
| Trunks | 314,000 |
| Toys | 2,250,000 |
| Soaps | 1,160,000 |
| Picture and photo frames | 194,000 |
| Tube pipe union fittings | 3,268,000 |
| Ship repairs | 221,000 |
| Spectacles, knife frames, eye-glass frames | 182,000 |
| Lead pencils | 933,000 |

Just think of it: these lead pencils can be made in Canada, and yet every lead pencil supplied to the members of the house comes from outside of this country. I shall not take up any more time in dealing with the list, but it can be enlarged three or four times. If the government were alive to the situation all these articles could be made in Canada, thus providing work and preventing for all time unemployment in the Dominion.

The statement has been made this afternoon that Canada for the first time has been giving a lead in strengthening the ties that bind the British Empire. Whoever made that statement has misread the history of this country of nearly 160 years. Canada has never failed the empire; Canada has led the way; Canada has spent millions of dollars to encourage trade within the empire. She has done this by the construction of the Canadian Pacific steamship lines and the Canadian National steamship lines. She led the way in the great war, when the name of Canada was put on the map. Canada has led the way in providing millions of dollars for steamship lines to the West Indies. Surely in doing that we might be excused from taking the vegetable trade away from the white farmers of this country and sending it down to the West Indies.

This afternoon we had the apology of the consumers' league or at least, a statement from the president of that league. But will anyone say that these few members have provided all the financial assistance to enable Mr. Deachman to present these cases before the tariff board? No, I am afraid a good deal of that has come from the party across the floor. They advocated the same policy for years, and they provided the means in this indirect manner, as they did not want to do so openly, to bring these cases before the tariff board. Just twenty-four or forty-eight hours before the great betrayal of the consumers' league, Mr. Deachman was addressing a women's Liberal meeting in the neighbouring village of Westboro, and only twenty-four or forty-eight hours later he learned of the great betrayal; that all his years of work and teaching before the tariff board had been destroyed, had passed away and had been thrown into the scrap heap by the party opposite.

We have heard from the consumers' league. There is however, silence from the Minister of Railways, who moved this amendment in 1922:

> That the Liberal party having been returned to power, the budget proposals of the finance minister now brought down, based as they are, mainly on the principle of protection in respect to the tariff, are wholly inadequate to implement such pledges by legislation.
>
> That while recognizing that changes in fiscal policy should be made in such a way as to give industries affected a reasonable opportunity for readjustment, this house is of opinion that the principle of protection as a basis for fiscal policy in Canada is unsound and not in the best interests of the Dominion.

How can the Minister of Railways come here now in 1930 without giving some explanation of what he meant in 1922 and what he means in 1930?

Miss AGNES MACPHAIL (Southeast Grey): Mr. Speaker, the few remarks that I intend to make should really not be dignified by the name of address or speech, but I felt that one could not vote for or against the budget without saying something about it. As a matter of fact, one vote on this budget is no good; one would need half a dozen votes in any case. It is impossible with one vote to say whether one is in favour of or against a budget that ranges all the way from A to Z, from black to white or white to black, whichever way you wish to take it

The budget brought down by the Minister of Finance (Mr. Dunning) on the first of May is quite clearly designed to catch votes; I would call it a vote-getting budget. If it does not get the votes, it will certainly disappoint its parents. It is a budget that can be easily picked to pieces. Some parts of it look very attractive to certain sections of Canada. For instance, one can imagine supporters of the government waxing eloquent in the east on the iron and steel protection; in the west they could make a very good speech on the British preference, both what is real and a larger portion of it that is only apparent. The protection on vegetables and fruit will go well in British Columbia in spite of the speeches that we had this afternoon, though it may be that they would like best to have the Conservatives bring down the protectionist policy. In the Niagara district the same protection on fruits and vegetables will, I suppose, sound well to the ears of those who want it.

Mr. CHAPLIN: It will not get the Liberal party any votes.

Miss MACPHAIL: I do not know about that. We shall learn that after the election. As regards the bean growers, someone who represents a bean-growing constituency and is a government supporter can make a splendid speech about what care the government is taking of that particular industry. The dairy farmers throughout Canada are to be pleased by the abrogation of the New Zealand treaty and the women are to be made happy by cheap tea and dishes. What I want to ask the Liberal party is this: Do they think that public confidence is won by a budget like that after all the talk that we have heard about the Liberals being a low tariff party and all the pleadings that we have heard on the hustings in the years gone by to come into the Liberal camp and not divide the low tariff forces? The thing that I have been asking myself since this debate began on the 1st of May is, where are the low tariff Liberals?

Mr. THORSON: Where are the low tariff Progressives?

Miss MACPHAIL: I am not a Progressive. I am a United Farmer, and I am low tariff. Has the severity of party discipline silenced every one of the low tariff Liberals? I can just imagine some of the sage old Liberals in the country—there are still a few of them in my county and in others—asking themselves, where is the Liberal party going? I had difficulty enough to tell one of the major parties from the other before the 1st of May, but now I find it quite impossible. They are just two groups of friends divided by the green carpet, one sitting to the right of the Speaker and the other to the left. If the great betrayal of Liberalism was begun in 1896, I would say that it was completed in 1930.

I am a member of an economic group. I was elected as a United Farmer and I did not change my name after I was elected—

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: My political name, and I am willing—

Some hon. MEMBERS: Oh, oh.

Miss MACPHAIL: I am willing as a member of an economic group to change my position on the tariff at any time if I believe that changing my position will make things better for the people whom I represent. I think that that is a sound position. It is the one that I have always taken; I have not changed. But I do not believe that protection will benefit agriculture, and I shall deal with that more fully in a moment.

[Mr. Chaplin.]

Agriculture is in a bad way this year. It is in my county, and I suppose it is throughout Canada. If we could protect agriculture so that it would get back some of the money it has to pay out for the protection of other industries I would be ever so willing to do it, but I do not see how it is to be done. Take, for instance, the farmer in my riding of South-east Grey. By the time he has paid for the protection on iron and steel, on fruits and vegetables, beans, to speak only of the protection afforded by this budget, suppose he gets protection on his butter and eggs, and suppose that that protection works in the direction of raising the prices of his butter and eggs, how high would those prices have to be raised in order to reimburse him for the amount that he has to pay out for the protection of other people? The prices of butter and eggs would have to be raised very high indeed before the farmers in my constituency would be benefited by the budget of this year. After all I represent them, and for that reason I am not enamoured of the budget. I would say that the eggs coming from British Columbia have more to do with the breaking of the price of eggs in Ontario than eggs coming from any place outside of Canada, so if the government is going to do something for Ontario in regard to eggs, it will have to get this magic tariff to work inside Canada and keep British Columbia eggs at home.

The New Zealand trade agreement is to be abrogated in October of this year. Some years ago when the Australian treaty was before the house I voted against it. The provisions of that treaty were extended by order in council to New Zealand. I voted against the Australian treaty because I felt that the effect of the treaty on agriculture was not really considered. The object was to get a market for automobiles, and pulpwood, and the interests of the farmer were not considered either one way or the other. The effect of the Australian treaty and of the New Zealand trade agreement on the farmers of this country has been bad, but it has been bad psychologically rather than materially. I doubt very much if the farmer has suffered so much from the treaty as he thinks he has and as the Conservative party has helped him to believe he has, but he has got it firmly placed in his mind that he has been very badly used. No doubt farmers everywhere in this country think that. The creameries in every province have been sending word to their patrons with every cheque that the Australian treaty and the New Zealand trade agreement have lowered the price of butter and that it is a very bad thing for the farmer, and so the farmer has had that

idea firmly placed in his mind, and the only way to make him happy is to abrogate the treaty. I congratulate the government for doing that, though the reason they do it and the reason why I want it done are not quite the same. Still, I am glad that they are taking that action. Suppose that after the treaty is abrogated the price of butter does increase. The production of butter will also increase, because I have noticed that farmers always speed up production when it pays them to speed it up. So if the price goes up they will produce more butter, and when production gets to the point where we become exporters of butter, we must meet the world price for butter, and down the price goes. So I would say to the farmers of Canada, if I may presume to do so, that they want to be very careful not to sell themselves into the protectionist camp for something which they think will be of real benefit to them but which really will not be, because they will have to pay out so much more than they get that they will be paying too much for their protectionist whistle.

Possibly the best proof that protection does not make the farmer prosperous is the condition of the American farmer. The proof that the tariff is not the fundamental thing in the economics of agriculture that we once thought it was is found in the fact that the farmer of the United States, where they have very high protection, the farmer in Great Britain, where they have free trade, and the farmer of Canada, where we have high protection, low tariff and free trade all in the one budget, are all in a very bad way.

The government is bringing in countervailing duties. While it may sound better to call them that, I agree with the Conservatives that it is really a brick for brick policy, so far as the bricks go; at least, it works out that way. But if we are going to have countervailing duties between Canada and the United States, why not include in the list of commodities to which the countervailing duties are going to apply, not only agricultural products, but industrial products? Why not apply the countervailing duties all along the line, apply them to everything that we trade in with the United States? Then if we really are low tariff in our sentiments, let us take off the specific duty, so that when you get the countervailing duty coming down it goes down all the way, just as well as when it countervails up it goes all the way up.

I do think Canada has very much to gain by the extension of the British preference. And may I pause here to say that I have been exceedingly amused and almost edified by the change of the respective flags that each party waves. It used to be that the Liberals —well, we may start with the Conservatives, since they had more of the flag than their traditional opponents—the Conservatives waved the Union Jack, and sometimes you could not tell whether there was a Conservative in its fold or not, but usually there was. The Union Jack was certainly their flag. As to the Liberals, if they had a distinctive party flag it might be said to be the Canadian ensign. But if I am to believe what I have heard, in the days since the first of May the two parties have swapped flags, and now the Conservatives have appropriated the Canadian ensign, while the Liberals have taken over the Union Jack.

I do think, however, that it is clear to all of us that Great Britain buys from us very much more than we buy from her, and that we buy from the United States very much more than they buy from us. For instance, in 1927 our exports to Great Britain of agricultural and vegetable products amounted in value to $330,000,000; during the same year we exported these products to the United States to the value of only $60,000,000. In the same year we exported to Great Britain animal and animal products to the value of $68,000,000, and to the United States $75,000,000 worth. In 1928 we exported to Great Britain agricultural and vegetable products to the value of $310,000,000, and to the United States only $56,000,000 worth. In the same year we exported to Great Britain animal and animal products to the value of $49,000,000, and to the United States to the value of $92,000,000. Therefore so far as agricultural and vegetable products are concerned—made up, I dare say, largely of wheat, but still Canadian farm products—we exported to Great Britain a great deal more than we exported to the United States—not only a great deal more, but many times as much; and we can scarcely expect Great Britain to want to continue to absorb our products unless we are willing to take the goods she has to sell. The Western Producer in its editorial of May 8 in dealing with this point said:

> The prolonged crisis in the grain market has forced the western wheat grower to give some attention to European conditions. He has discovered, if he did not know it already, that Britain is the heaviest purchaser of his wheat. He has discovered also that Canada does not import nearly so much British produce as she might.

So when we are dealing with the British preference it would be very wise indeed to put on the list for preferential treatment those things that we are likely to buy from Great Britain. While I know it makes a very imposing list to include a large number of

things that we do not buy, or are not likely to buy, or buy very little of from Great Britain, such a list, although imposing, is not of very much use when one is trying to arrange an exchange of products. If Great Britain does buy our agricultural and vegetable products to the value that I have named, then we in return must buy large quantities of her goods. Consequently I cannot understand why the Minister of Finance (Mr. Dunning) if he was honest in his endeavour to extend the British preference, to build up trade between us and Britain, did not give preferential treatment to British textiles and British boots and shoes, commodities that we are likely to buy from Great Britain. Because while I realize that there is an extension of the British preference—I have not gone through the schedules myself, but I have talked with those who have—I believe time will go to show that this extension of the British preference is at least as much apparent as it is real, and maybe it is more apparent than real. And if all that this extension of the preference to Great Britain amounts to is vain show, it can serve no good purpose in increasing the exchange of trade between ourselves and the motherland. But for the degree of British preference effected by this budget I am glad, and if I could divide the budget into half a dozen bits I would vote for that piece of it.

There is one other angle from which I wish to discuss the tariff just for a moment or two; that is, its bearing on international relations. Last year in the course of the budget debate we had a very excellent speech from the Minister of Justice (Mr. Lapointe) who when he is discussing international relations always makes most excellent speeches. He dealt quite fully with the work of the economic conference of the League of Nations. This conference met in Geneva in 1927 from early in May until the 23rd. It consisted of 194 delegates and 226 experts representing fifty states, so I think it will be generally agreed that it was a most important gathering. This conference placed itself on record in these words, and I am now quoting from the speech by the Minister of Justice as to be found on page 1335 of Hansard of last year:

> In view of the fact that harmful effects upon production and trade result from the high and constantly changing tariffs which are applied in many countries;
>
> And since substantial improvement in the economic conditions can be obtained by increased facilities for international trade and commerce;
>
> And in view of the fact that tariffs, though within the sovereign jurisdiction of the separate states, are not a matter of purely domestic interest but greatly influence the trade of the world;
>
> And in view of the fact that some of the causes which have resulted in the increase of tariffs and in other trade barriers since the war have largely disappeared and others are diminishing;
>
> The conference declares that the time has come to put an end to the increase in tariffs and to move in the opposite direction.

This was the decision of experts. They were not there to cater to any element in their respective countries, they were there to express their considered views. This year the tenth assembly of the League of Nations realized that this economic conference was serious in its recommendations, and so the Right Hon. Mr. Graham of the British board of trade moved a resolution, seconded, I think, by the French representative, which read as follows:

> States should agree not to increase their protective tariff above the present level for a period of from two to three years or to impose new protective duties or create new impediments to trade. It is understood that this undertaking should not lead to any relaxation in the efforts which states are making to reduce their tariff to the greatest possible extent by autonomous or bilateral action in conformity with the recommendations of the World Economic Conference.

All of us know that the world is becoming a smaller and smaller place, that is, that we are becoming more and more interdependent, and that what used to be a national policy is now coming to be international policy, inasmuch as the policy of one country affects so greatly the action of another country. For instance, if we are to credit the reports in the newspapers, the introduction of this budget had a great deal to do with the result of a recent by-election in Great Britain. That is a small example, but after all it is an example of the effect that the fiscal policy of one country has on the fiscal policy of another. I think all hon. members will agree with me—though all will not admit it—that high tariffs do not lead to good will, that they are one of the obstacles that stand in the way of permanent world peace, and that if we are really serious in desiring permanent world peace we must be serious in striving to remove the economic causes of war, in which high tariffs are an important factor.

I have come to the conclusion, first, that in the main agriculture in Canada will not be benefited by the tariff; and, second, because it is not conducive to the peace of the world, I am opposed to the protective principles as brought down in the budget. I think the Liberals themselves, if they were free to

admit it, would say that the budget is more protectionist than otherwise. To my mind it is a very peculiar budget. If we in this section of the house vote one way or the other we could not be blamed because no person in his right mind could agree to all the items contained in the present budget.

Some hon. MEMBERS: Hear, hear.

Miss MACPHAIL: Nor could hon. members conscientiously disagree with all the items contained therein. I believe that in Southeast Grey it would be easier to explain why I voted against the budget than why I voted for it.

Mr. H. A. STEWART (Leeds): In rising to address the house at this stage of the debate I wish to say to the representative of Southeast Grey (Miss Macphail), who has just taken her seat, that I entirely agree with many of her statements; in fact I have never found myself quite as much in agreement with the hon. member as I find myself to-night. In connection with the subjects upon which we disagree I have no doubt that a little friendly discussion would bring us closer together.

Some hon. MEMBERS: Hear, hear.

Mr. STEWART (Leeds): I am willing to try. The hon. member represents a rural constituency; so do I. While the hon. member takes one view of the effect upon her constituency of the Australian treaty, I take another. I agree with the hon. member that some damage has been done by the operation of this treaty and that to some extent it is psychological. There has been the material damage and there has been the other damage. I suggest to the hon. member, however, that you cannot in one year put on the Canadian market 35,000,000 pounds of imported butter, three pounds for each man, woman and child in the Dominion of Canada, without materially affecting and injuring the market for Canadian butter within the Dominion.

Mr. ADSHEAD: Does my hon. friend include in that the amount of New Zealand butter imported into Canada?

Mr. STEWART (Leeds): No, I have not stated the exact amount that has been imported and sold in Canada, but I think it would go as high as 40,000,000 or 42,000,000 pounds.

The budget has always constituted an interesting feature in each session. It should be a complete and comprehensive statement and review of all our affairs. My hon. leader (Mr. Bennett) has pointed out that in some respects this budget is lacking and that it does not go the whole way in placing before this house and before the people of Canada the expected results of such a budget. I suggest to the minister that in future it might be well to have in the budget a more comprehensive and complete statement of the affairs of the Canadian National Railways The people of Canada own these railways; we are interested in them and we are financing them for capital expenditures and to some extent in other ways. We are very proud of the measure of success which they have attained. I do think however that it would be in the public interest if a detailed statement of the finances of that corporation were included in the budget.

When I read the budget I am reminded of a certain act which I have witnessed at the circus. A juggler would come on the stage and he would attempt to keep three balls of different colours and sizes in the air at the same time. Sometimes he would succeed but if he continued his performance long enough it generally ended in failure. In this budget I see an effort to put before the Canadian people at the same time measures of free trade and protection, and an effort to improve the failing fortunes of the government. I do not think those three things can be done. If the government had only to put the present budget through this house, they might succeed. However, if they succeed in getting it through the house they still have to place it before the people of Canada, whereupon it will be thoroughly dissected and analyzed, appreciated and understood. A considerable length of time will be required for the performance of the task which they have undertaken.

Proceeding to the statements in the budget respecting trade, hon. members will notice a decline in our exports to the extent of $244,000,000, in round figures. Hon. members will also notice an adverse trade balance of $103,000,000, and that our estimated revenue for the year 1929-30 is $447,000,000 as compared with $462,000,000 for the previous year. The latter figures would indicate a decrease of approximately $15,000,000. Perhaps if the effect of this budget were analyzed and its expected operation in the coming year made public we would come to the conclusion that our revenues will not show a surplus; the fear is that they will show a deficit. The ordinary expenditures for the current year 1929-30 were $360,000,000, whereas in the prior year they were $351,000,000. Hon. members will notice that while our revenues are falling our expenditures are increasing.

This government has a peculiar record in regard to taxation. After the change of gov-

ernment in 1921 the then finance minister took advantage of the opportunity that presented itself to increase substantially the taxes imposed upon the Canadian people. The sales tax was increased; the stamp taxes were put on; our excise taxes were increased, and it was perfectly clear that in putting on these taxes he had in mind the production of substantial surpluses for which he could claim credit. For a number of years that program succeeded and the government now claims that it has been reducing taxation for several years. It may be that there have been reductions of rates here and there; there have been changes and adjustments, but I contend that as long as this government takes from the Canadian people as a whole a larger sum of money year by year it cannot successfully contend that it is reducing taxation.

Some hon. MEMBERS: Hear, hear.

Mr. STEWART (Leeds): The population of Canada has remained at about the same figure during the term of office of the present government, and if we take year by year a larger sum from the same number of people I submit it is perfectly clear that taxation is not being reduced. I asked the Bureau of Statistics to furnish certain information along this line covering the years 1925 to 1929, and I find that the total amounts collected by this government in customs duties during those years were:

| | |
|---|---|
| 1925 | $108,146,871 |
| 1926 | 127,355,144 |
| 1927 | 141,968,678 |
| 1928 | 156,985,818 |
| 1929 | 187,206,332 |

So you see, Mr. Speaker, that during all these years the amount of money taken from the Canadian people in customs duties has increased year by year, notwithstanding the fact that the Prime Minister (Mr. Mackenzie King) has contended that the tariff is a tax. We have the same record in connection with excise taxes, which amounted to the following:

| | |
|---|---|
| 1925 | $38,603,489 |
| 1926 | 42,923,549 |
| 1927 | 48,513,160 |
| 1928 | 57,400,898 |
| 1929 | 63,684,954 |

The income tax amounted to:

| | |
|---|---|
| 1925 | $56,248,043 |
| 1926 | 55,571,962 |
| 1927 | 47,386,309 |
| 1928 | 56,571,047 |
| 1929 | 59,422,323 |

[Mr. H. A. Stewart.]

The amounts collected in other war taxes were as follows:

| | |
|---|---|
| 1925 | $ 90,916,115 |
| 1926 | 101,724,358 |
| 1927 | 108,781,125 |
| 1928 | 93,748,040 |
| 1929 | 85,607,419 |

The total amounts collected in taxation were as follows:

| | |
|---|---|
| 1925 | $293,914,518 |
| 1926 | 327,575,013 |
| 1927 | 346,649,272 |
| 1928 | 364,705,803 |
| 1929 | 395,921,028 |

Then there were other special revenues, making the total amounts during those years as follows:

| | |
|---|---|
| 1925 | $351,515,392 |
| 1926 | 382,893,009 |
| 1927 | 400,453,480 |
| 1928 | 429,642,577 |
| 1929 | 460,151,481 |

Then, Mr. Speaker, we have been told about the expenditures, and we find that during these years the total ordinary expenditures were:

| | |
|---|---|
| 1925 | $318,891,901 |
| 1926 | 320,660,479 |
| 1927 | 319,548,173 |
| 1928 | 336,167,961 |
| 1929 | 350,952,924 |

So you see the record of this government is upward in the matter of total taxation and upward also in total expenditures. During his speech my leader referred to the increases in the sales tax, and if hon. members turn to page 1815 of Hansard they will find there have been increases in that tax during all those years. So, Mr. Speaker, when we analyse the contention that taxation has been reduced we find that the record of the government does not support that claim.

There was one reference in the budget speech which to me was rather surprising; I refer to the remarks of the minister concerning the tourist trade. The government would appear to suggest that it is entitled to some credit in respect of the great advantage accruing to Canada through the vast amount of money spent in this country by the tourists. What has this government done to encourage the tourist trade throughout this country? It has two opportunities to extend some aid in the construction of highways, and everyone knows that highways are the first requisite, the first attraction and the most important element in the development of tourist traffic. On two occasions this government emphatically rejected the opportunity to assist the tourist trade in this way. Undoubtedly the provinces are aware of the advantage of this

trade and are looking after it, but they are doing so at their own expense, on their own account and without any assistance or encouragement from this government.

The sales tax is now reduced. If the government had accepted the resolution presented from this side of the house the sales tax would have been wiped out entirely. It is just as much trouble and expense to business to collect the amount of tax now imposed as it was to collect the larger amount, and it seems to me the government would have been well advised to do away with this tax completely. It is more or less a nuisance tax; it is an encumbrance, an obstruction to business, and the effect of wiping it out would have been borne equally and fairly by all the people of Canada. When the government took off the tax on luxuries, sleeping car tickets and the like, they were doing something for a particular class of people, but had they taken off the sales tax entirely they would have done somthing for every class throughout Canada.

Now, Mr. Speaker, we come to the customs tariff, and it is here that the government seems to have gotten into difficulty and become inconsistent. There are both increases and decreases in duty, and the minister says the increases under the general tariff are small and that the material reductions in the British preferential rates are larges. It would be difficult at this time, and without further analysis, to say just exactly what will be the effect of these changes. The minister himself was not very definite or specific in that respect. These tariff items have been scrambled; they have been mixed up and re-arranged, and it will require some considerable time and the work of an expert to find out exactly what has happened. It is extremely difficult to unscramble eggs, and I think this government will have great difficult in unscrambling some of these complications which they have brought about. Some of the increases are very marked and some of the reductions are rather trifling.

I am particularly interested in the budget as it relates to agricultural products. We have had the case for the fruit and vegetable growers presented very fairly and completely by the hon. member for Yale (Mr. Stirling), and I do not propose to go over the ground which he covered so well. It does appear, however, that the government has missed an opportunity to do something for this industry and has given it something which will not really help it. What these people really desired was a seasonal tariff or a rigid application of the dumping duty, and this does not appear to have been given them. However, I wish to deal very briefly with the Australian and New Zealand treaties, which materially affect the constituency which I represent, in which the dairy industry plays a very important part.

I am glad to recall that when this Australian treaty was discussed in this house I voted against it. I voted against it because it was clearly pointed out by my leader that its effects would be detrimental to agriculture, that while there would be some advantages to the manufacturing industry, agriculture would be called upon to pay for those advantages. The warnings then given, however, were disregarded, and it was not very long before the treaty was extended to New Zealand by order in council. That extension was made with disastrous results to the dairying industry of Canada. The operation of this treaty has destroyed the confidence, and the initiative of this industry; the industry is discouraged and downhearted. Every reason which exists at this late date for the termination of this treaty has existed and must have been well known to the government for many years. Why this delay and this tardy action? The action taken cannot give any benefit to the dairying industry for at least six months. After an industry has been damaged for six years, it cannot be rebuilt in six months; it will take years to bring it back to where it was at the time this government embarked upon the policy which wrought such havoc and which has brought such disaster to this industry. The government seeks now to take that action which it has been repeatedly requested to take.

The countervailing duties are a comparatively new feature in the customs tariff. Heretofore Canada has had the courage and the initiative to make her own tariffs, and parliament in making those tariffs has done so in the best interests of the Canadian people, without in any way playing second fiddle or waiting for the action of any other country. The adoption of this principle will result in confusion and uncertainty. The United States have a tariff law under which the president may on the recommendation of the tariff commission increase or decrease the rates of duty. This is called the flexible provision, and we shall have to follow that country up and down the whole scale from day to day if we are to put into force the countervailing duties referred to in the budget. Not only will there be changing rates from time to time with respect to the United States, but it will apply to other countries

as well. The member for Southeast Grey points out that this countervailing feature applies only to sixteen items; and I wonder why it was not extended to a much larger number of items. During the past seven years the flexible provision in the tariff of the United States has been extremely detrimental to Canada. Canada has felt the effect of an increase of from 30 to 42 cents per bushel on wheat; from 75 cents to $1.04 per 100 pounds on flour; from 8 cents to 12 cents per pound on butter; from 1 cent to 1½ cents per pound on onions; from 2½ cents to 3¾ cents per gallon on fresh milk; from 20 cents to 30 cents per gallon on cream, and increases on many other commodities. Every reason which has existed for the raising of the duty on these items has been in existence for the last eight years, ever since the Fordney-McCumber tariff was introduced in the United States in the year 1922. In spite of that, this government has slept and has allowed these changes to work to the detriment of Canada. At this late date, on the eve of an election, it comes forward with this feeble and futile effort in the hope that it can satisfy the agricultural industry and the people on the farms of Canada. I suggest that it is long too late and that the government will be disappointed in the results obtained. What is required in Canada is a protective tariff of agriculture and industry generally determined by the Canadian people and in the interests of agriculture, industry and labour. In its tariff provisions the budget makes an attempt to travel in two opposite directions at the same time. That has been tried in the past by statemen and politicians, but it has always met with failure and I predict that failure will be the result in the present instance.

From the information I have been able to obtain, I have come to the conclusion that the number of items to be included in the British preference has been exaggerated, with a desire to make it appear that larger reductions are being made. Why was it necessary at this late stage to deal with this matter? We are to have an economic conference this fall, and would it not have been well for Canada to enter that conference with free hands, with this whole subject open for discussion and for negotiation? Then we could hope to obtain preference for preference; we could hope to receive some advantage—countervailing advantage if you like—for the reductions which we offered. The foundation of trade and commerce is mutual advantage, but that seems to have been disregarded in this instance. The object of this gesture is to give the government a little flag to wave in the coming campaign. It is not a big flag and it is not going to be large enough to carry the government through, because side by side with it has to be carried the stars and stripes.

I was very much interested in the speech delivered by the Minister of Justice (Mr. Lapointe) at Woodstock. The hon. minister always makes a good speech, and with much of that speech, as reported in the Toronto Globe, I agree. He said that the Dunning budget was not a western budget—I agree with him in that statement. He said it was not an eastern budget—I am inclined to agree with him there. He said it was not a manufacturers' budget—I concur in that statement. He said it was not a farmers' budget—he is right. It was not a workingman's budget—he is absolutely right there. He said that it was a national budget with the great policy of British preference as its foundation—with that sentence I disagree, for the reasons I have already stated. It is not a national budget because it fails to give proper consideration to national interests. It is not determined entirely by the Canadian people; it is uncertain and variable in its action; it is, I suggest, a King government budget by the King government and for the King government and its whole object is to put the government out of the bog of despair and difficulty of its own making, in which it has landed itself and for which it has been heading for the last six or seven years.

Generally in matters of this kind we have uniformity, unanimity of opinion among the different members of the cabinet. We have sitting in that cabinet the Minister of Railways and Canals (Mr. Crerar), and I have sat in the house and heard him session after session denounce protection as unsound, vicious and injurious to all classes of the Canadian people. How can that man remain a member of a cabinet or government that repudiates, that denies the truth of all the statements which he has ever made when he was in the house with respect to the Canadian tariff? We have the Minister of the Interior (Mr. Stewart) who has taken a similar position. How can he vote for the budget? He has not explained the reasons or whether he has any reasons why he has changed his opinion. The Minister of Finance himself has scarcely given us any good reason for his remarkably sudden conversion in this matter. The Minister of Agriculture (Mr. Motherwell) ridiculed a brick-for-brick tariff, ridiculed the contention that the Australian and New Zealand treaties were doing any injury to the agricultural industry of this country and said

that it would be folly to raise duties. How can he vote for the budget? The Minister of Trade and Commerce (Mr. Malcolm) not long ago in discussing this matter in the house announced that the effect of raising the duty on butter would leave the farmer in a worse condition than at present. How does he justify the duties that are imposed and the countervailing duties that apply in this respect?

The Prime Minister (Mr. Mackenzie King) has always said that the tariff was a tax and he has frequently proclaimed in the most vehement terms that the policy of his government was a downward and still downward revision of the tariff. He has taken the opportunity in other budget debates to show the progress that has been made along that line and he fervently pledged himself and his government to continue along those lines. But to-night we find that he has reversed that position and he is now proposing to the house an increased measure of protection. With further reference to the statement of the hon. member for Southeast Grey (Miss Macphail) with regard to what occurred at the peace conference as to the reduction of duties, may I read from Hansard of 1928 the statement of the Prime Minister in the budget debate:

May I say just one further word in regard to the method by which the government has proceeded in the matter of tariff revision. I doubt if the government's method could be better described than as set forth in the resolution which was passed at the inter-parliamentary conference held in Paris on August 25, last year. My hon. friend the Minister of Justice (Mr. Lapointe) referred to a resolution adopted by the League of Nations. That resolution laid stress on the importance of nations reducing rather than raising their customs tariff. We are proud of the fact that Canada stands out as the one country in the world that has pursued the course which was there advocated by all of them. In connection with the inter-parliamentary conference—which I understand is an inter-parliamentary conference of all the nations in the world—the following resolution was passed:

The twenty-fourth inter-parliamentary conference regrets to note a general tendency among the states to raise their customs tariffs. It recommends that the national groups shall endeavour to arrest and to reverse that tendency.

Another of the Paris recommendations completes this one by expressing the wish "that methods of abolishing, or at least progressively and gradually reducing customs duties, be made an object of study in all countries. . . . ."

The report goes on to say that such annual reduction could be sufficiently slight not to cause a crisis and to permit the different national industries to adapt themselves to the new conditions.

That was the position of the Prime Minister a year ago. He was commending a reduction of tariff. To-day by his budget he must approve the raising of the tariff. That, however, is perhaps not difficult for him and he must justify his own position.

My time is almost up and I propose to give some reasons why I am going to vote against the budget. I will vote against the budget:

1. Because a vote for it is an endorsement of hypocrisy and deception in political policies, and hypocrisy and deception are no more excusable in matters political than in others.

2. Because it does not accurately and fully disclose the national finances or the prospective revenues for the current fiscal year.

3. Because the extension of the British preference on the eve of an economic conference of the empire is premature, inopportune and possibly detrimental to the promotion of inter-imperial trade on the sound basis of mutual preference.

4. Because the adoption of countervailing duties introduces uncertainty and instability into the tariff and will result in frequent changes, complications and inconsistencies in our tariff schedules.

5. Because the record of this government on fiscal matters is so unstable and inconsistent that it cannot be relied upon to carry out in full measure the features of the budget which may appear to be commendable.

6. Because it is really a deathbed repentance and repudiation of its former pledges and policies.

7. Because it does not afford sufficient protection for the textile industries.

8. Because the measure of protection afforded to the branches of agriculture and dairying is belated and inadequate.

9. Because it does not contain provisions for promoting the manufacture in Canada of a larger amount of our own natural resources.

10. Because it does not contain ample provisions to afford relief for unemployment.

Then we have the amendment which was moved by my leader and which will be found on Hansard at page 1834. It reads:

That while this house welcomes and approves of every measure that will afford to Canadian agriculture, industry, and labour an equal opportunity and fair competition in the development of the rich and varied natural resources of the Dominion, and provide for the extension of inter-empire trade by mutually advantageous preferences and agreements, with due regard in either case, to the interests of consumers, it is of opinion that the proposals which were submitted by the Minister of Finance on May 1st, are in several important respects so completely at variance with the policies of this government, as heretofore declared by its official leaders in parliament and elsewhere, that this administration having lost the confidence of the country, cannot safely be entrusted with

the direction of the fiscal policy of Canada nor the carrying into effect of proposals to which it has heretofore been opposed and which constitute a breach of its solemn pledges to the electorate, and which are deceptive, fail to estimate the financial results of their operations and which create distrust of and contempt for representative institutions.

With every sentence and every sentiment there expressed I wholly agree, and I will vote for it because it exposes the defects and weakness and inconsistency of this government on its own record and its failure to discharge its whole duty to the people of Canada.

Mr. W. G. BOCK (Maple Creek): Mr. Speaker, I feel that I would be somewhat remiss if I did not contribute a few remarks to this budget debate. I wish in the first place to tender my hearty congratulations to the hon. Minister of Finance (Mr. Dunning) both on his presentation of the budget and on the manner in which he has grappled with our tariff problems at a time when a man in his position might well have hesitated to take such courageous steps.

The hon. member for Mackenzie (Mr. Campbell) in his address the other evening mentioned having presided at a meeting which the present Minister of Finance attended a good many years ago, where the hon. member for Mackenzie claimed to have prophesied at that time that Mr. Dunning had a great future ahead of him. His remarks recalled to my mind many occasions in the early days of the grain growers' association in Saskatchewan when we as delegates attended our annual convention of the organization, which was usually held at Regina, Moose Jaw or Saskatoon. The present Minister of Finance was always on hand at those meetings, first as a delegate, and later as a director and vice-president of the organization. Often when the subject under discussion seemed to be going round in circles, with amendments aud subamendments and so on, and when it seemed to be heading up a blind alley with everything in a mess, as Amos and Andy would say, the chairman or one of the delegates would suggest that Charlie Dunning come in and unscramble the situation and put the assembly on their feet again. He was always able to clear the air, and the debate would be once more off to a good start. This was back in 1910 to 1914, when the present Minister of Finance was on the board of directors of that organization. Later he organized and had much to do with the direction of the destinies of the Saskatchewan Cooperative Elevator Company. This was an outstanding organization, and at the time of its purchase by the pool it had become the greatest grain handling firm on the continent. The hon. gentleman who is now Minister of Finance was always able to take care of any situation in which he was placed. It was sometimes said that he seemed to be a pinch hitter who was sent to bat whenever a tough situation cropped up. Later, when he became a member of the Saskatchewan legislature, he acted at different times as Minister of Railways, Provincial Treasurer, Minister of Telephones, Minister of Agriculture, and finally as Premier of the Province of Saskatchewan, and made good in every capacity. In 1926, when the federal department of railways was in need of reorganization, the Prime Minister sent him to bat when there were two down and the bases full. He got a three-bagger that time, for he had studied the Nelson terminal proposition. He switched the terminal from Nelson to Churchill, completed the line, and last year for the first time in the history of our government-owned roads, made the system pay. Now, once again we find him going to bat on the eve of an election, as Minister of Finance, in the second half of the last innings with the bases full and the score tied, and what does he do? Does he fall down? No! He knocks the Hawley-Smoot pill, with its fancy tariff curves clear into the gulf of Mexico with a British preference bat, and I fancy I can see the fans sitting on the corral fences out west, reaching for their bull durham and saying, "Yes, Dunning made another home run."

The hon. member for Fort William (Mr. Manion), referred to the budget this afternoon as spectacular. I think it was in order to term it spectacular as it was introduced by a very spectacular Minister of Finance. We westerners, of course, naturally feel proud of our Minster of Finance for we "saw him first", before he went into the big league, and I am confident that the western farmers who through the old grain growers' association helped him to acquire his economic education are still pulling for him as strong as ever, and when the Dominion championship series opens—it won't be long now—and the electors go to bat, they will judge the two great parties by their box score records of runs, hits and errors in the past, and there will be no doubt in their minds that they may safely trust the destinies of Canada to the party which has had the courage to face situations as they arise and readjust our tariff structures as changing world conditions may warrant, in spite of the howls of the opposition about losing their policy.

It is reassuring to note in this budget that there is a surplus of $44,500,000 and that about

$80,000,000 is wiped from our national debt. This sets a new record and cuts the interest charges by over $4,000,000, and this in the face of increased expenditures of approximately $25,000,000 on capital account for taking care of such projects as the new Welland ship canal, the Hudson Bay railway, the St. Lawrence channel, harbour work at the lake heads, and public buildings in the city of Ottawa. So apparently there is nothing seriously wrong with this government.

One feature of our trade balance which was criticized by hon. gentlemen opposite was that Canada as a nation, like many of our citizens in the west as well as in the east, bought more goods than she sold this year, by about $103,000,000; and as our grain exports to the United Kingdom declined by $138,000,000 and our exports to Europe declined by $81,000,000, it only emphasizes the importance of our grain exports in maintaining favourable trade balances, and the urgent necessity of securing and holding the good will of all wheat importing countries of the world. We should then so arrange our tariffs as to make for freer interchange of goods for our grain and flour, and in my humble opinion, Mr. Speaker, the sweeping tariff reduction contained in this budget in the ratio of four decreases to one increase, particularly as they affect the British Empire, should go a long way towards restoring the good will of our best customer for Canadian grain.

The hon. member for Wetaskiwin (Mr. Irvine) the other evening in his speech referred to the Minister of Finance as a Santa Claus unloading his bag of parcels which were not to be opened until after Christmas, or after the election. I may say that when the minister was enumerating the many items made free under the British preference, I also saw a picture of a Santa Claus with a pack as big as a load of hay; but I did not get the drift of the hon. member's remark "not to be opened until after the election," for with the tariff schedules and the trade statistics before him the hon. member could at least have opened some of them on the spot. Some of the parcels I think had their wrappers off when they arrived, and certainly there was one that was wide open. I refer to the tea package, because the very next day after the budget was brought down I saw in two Ottawa newspapers advertisements in big black letters that the price of tea had dropped 15 cents per pound.

The opposition members accused us of being bullied by the United States. They also talked about adopting red-blooded tactics. I think either the hon. member for Fort William or the hon. leader of the opposition (Mr. Bennett), or perhaps both of them, last session wanted us to remain here until the United States had come through with their tariff revision program in order that we might enact retaliatory measures. To-day in one breath they tell us we are inconsistent in introducing countervailing duties, and in the next breath they tell us we have not gone far enough in that direction. The hon. member for Vancouver Centre (Mr. Stevens) said we ought to apply these countervailing duties to the tariff as a whole, that there were only a few items to which they were applied and these were not nearly enough. In fact, he referred to the limited number of items covered by the countervailing duties as the gesture of a school boy. I am sure if the genial member for Fort William prescribed a tablespoonful of castor oil to his colleague from Vancouver Centre, that gentleman would not insist on taking a whole quart of the medicine until he had found out how the first dose affected him.

Some of the Progressives appear to think that we have gone too far; the Tories think we have not gone far enough; but it appears to me as if we had sort of struck the happy medium, because when both hostile parties are dissatisfied in that way, from one extreme to the other, I think the Minister of Finance is not very far out in his proposals. As world conditions change it is necessary for governments to make alterations in their policies from time to time, to meet emergencies as they arise, that is, if we are going to make progress. It is said that if a man were to follow a beaten path continuously he would soon get into a rut. Well, there is only one difference between a rut and a grave —the rut has no ends to it.

There is a strong possibility, Mr. Speaker, that the United States government, after they have studied the effects of these countervailing duties on their own producers and consumers, may not hesitate very long to make some reductions in their tariff structure. In fact I think they have already made reductions in duties on shingles, lumber and potatoes, following the budget announcement. Press reports state that President Hoover is being deluged with requests to veto the tariff bill now before the congressional committee. So we may be pleasantly surprised by the effect that our countervailing duties may have on the tariff policies of our neighbours.

Taking the different factors into consideration, then, we have on the one hand Uncle Sam's attitude of closing his doors to many of our products by the proposals contained

in the Hawley-Smoot tariff bill; and on the other hand we have a good market in Great Britain for our commodities, but she is reluctant to purchase them unless we take in exchange those articles which we have been purchasing in the United States. When the Hudson Bay railway is in operation, which will be in the near future, it will have the effect of lowering our freight rates, thereby reducing our cost of production, which is one thing we should not lose sight of; and the trade diverted from the United States to Great Britain should help to provide cargoes for the wheat carriers returning to Fort Churchill. So it seems to me that this budget is piecing those problems together like the parts of a jigsaw puzzle. The Minister of Finance has been a good solver of puzzles in the past, by the time he gets through with this puzzle there will be no pieces left over for my hon. friends opposite to play with.

Fundamentally I have always been just as much a free trader as my friend from Rosetown (Mr. Evans), but there are times when certain things cannot all be done at once owing to extraordinary conditions. If our natural north and south channels of trade are obstructed, we can blame Uncle Sam and his tariff measures. If he thinks it good business to lose a few hundred million dollars worth of Canadian trade annually it is his own affair. And if his prohibitory tariff machine backfires too much on him, he will probably take it to the garage to have it overhauled; apparently he has changed the timing on his potatoes, lumber and shingles. I believe in the feasibility of the Hudson Bay railway as a grain shipping route, and I think our present difficulties will be removed with the opening of that route; and with the progress made by this budget towards free trade within the empire, it should only be a few years before the last barrier to imperial free trade has been removed.

I am convinced that the record of the present administration, together with the budget now under discussion, which appears so effectively to meet the peculiar trade conditions to-day, should return this government to power with an increased majority at the coming elections. The opposition apparently have no policy to offer that would deal effectively with the situation. They criticize every action of the government, but after listening to their speeches it is pretty hard to arrive at what the majority of them really favour. Some of them are of the opinion that the increased British preference would put our manufacturers out of business; some of them claim it has not gone far enough; in the opinion of others it should have come sooner. The same diversity of view exists with regard to the countervailing duties. In a word, the opposition have no clear-cut, definite policy to offer to the country. They may make an issue of having their shirt stolen, for they always have a slogan, something easy for the people to remember. I recall in 1911 they had the slogan "No annexation, no truck or trade with the Yankees;" in 1921 the slogan was "blue ruin" in 1925 they had another "blue ruin" slogan; in 1926 they had some more "blue ruin" together with the customs scandal. But this time they will not be waving the flag so effectively as they did in 1911. In Saskatchewan they are apparently raising a religious issue. It seems a pity that an election cannot be fought cleanly on a national policy without introducing questions of race, language or religion, for these appeal mostly to those who are little concerned with the real welfare of Canada. In this connection, sir, I should like to read an extract from a verbatim report of a speech made by the editor of the Regina Daily Star, which appears in the issue of his paper of May 2. The meeting was held in the town of Shaunavon which is in the Maple Creek constituency that I have the honour to represent. On that occasion a Conservative candidate was elected to contest the coming election, and the Hon. Mr. Bennett was chosen honorary president and Hon. Mr. Anderson honorary vice-president of the local association. I shall not attempt to quote the speech in full for it is rather lengthy, but it contains some passages which I feel it my duty to bring to the attention of hon. members. Among other statements made on that occasion by Mr. Cowper, the editor of the Regina Daily Star, are the following:

> Canada to-day is facing a conflict between the two races. Only folly would blind one's eyes to it, and cowardice seal one's lips. The Quebec movement thriving on the liberty accorded to the Quebec people by the act of 1774 and generous concessions since extended to it by Canadian leaders has now reached a point where it seeks to effect the mental conquest of all Canada. In has put six ministers into the King government; it has utilized its solid bloc to control the Liberal caucus and party, so that to-day its minority in the house is in control of Canada. It has abused its power thus obtained to flout the constitution and is now actively using the departments of government and the federal civil service in a campaign to overthrow the British conceptions of democracy and freedom in Canada, to block the work of those who wish to weld all the peoples of Canada into a homogeneous Canadian nationhood. It is using its control of the

post office, the Department of Marine and Fisheries, and other departments of the Ottawa government to force the French language on the peoples of the British provinces.

This is not an issue of this man or that; it is not a fight between the ins and the outs. The Quebec French movement by its control of the present government of Canada has thrown down the challenge to the people of the western provinces. The future destiny of Canada, the character of its democracy, the treasures of mental and spiritual liberty, are bound up in the issue. They constitute a clarion call to all lovers of mental liberty and national freedom to unite and defeat the King government, and keep the Quebec movement from riding roughshod over the heritage of our dearly loved British liberties.

That would seem to outline the main issue in the coming campaign in the section of Saskatchewan from which I come. This represents the opening gun which was fired at the nomination meeting of the Conservative candidate in the constituency of Maple Creek. As the hon. leader of the opposition has been named honorary president of this Conservative organization, I am sorry he is not in his seat, but I wonder if he agrees with the report which I have just read. I wonder if he endorses the statements that were made at that meeting; I doubt very much if he does. I do not believe that the hon. leader of the opposition is the type of man that will endorse the sentiments contained in this article. It is rumoured in Saskatchewan that the leader of the opposition has either directly or indirectly some financial interest in the Regina Star, from which newspaper I have just read. I do not know whether that is a correct statement or not, but at some future time I would like to have an answer from the hon. member. Judging from reports which I have seen in newspapers as to the stand taken by the hon. leader of the opposition in connection with stirring up religious strife, I believe he is too big a man to countenance that sort of thing. I would like to read an article which appeared in the Western Producer in its issue of July 5, 1928. The newspaper heading is as follows:

Hon. R. B. Bennett speaks of policies of Tory party to French Canadians.

This address was delivered at Magog, in the province of Quebec, and in part is as follows:

He who makes appeal to prejudice, racial or religious, is a foe to Canada. Let by-gones be by-gones; study matters for yourselves, and when you go to the polls do not go as men and women driven by passion or prejudice, but strike a blow for the preservation of your country and its institutions, and an opportunity for development.

In dealing with the manner in which the hon. gentleman was received, the report is as follows:

"You receive me like a son just returned home," laughingly remarked Mr. Bennett in reply to the applause which greeted him when he rose to speak. He went on to talk of the necessity of not thinking only in terms of one province, but of all Canada, and preached his doctrines of peace and unity. As to appeals which have been made in Quebec against the Conservative party, he said the party would prefer defeat rather than deny the rights of minorities. "This party will go into ignominous defeat and cease to exist before it will tolerate doing away with any of your rights," he declared.

On June 24, 1928, at Laprairie, Quebec, Mr. Bennett paid tribute to the work of French Canadians in building up Canada and regretted he could not deliver his speech in the beautiful French tongue. On that occasion his speech was reported as follows by the Canadian Press:

"We must respect the rights of the minority whether in this province, Prince Edward Island or any other province," Mr. Bennett declared in recalling that the Conservative party under Sir John A. Macdonald had suffered defeat in protecting the rights of the minority.

"This Canada of ours must go forward without any dividing line of race, creed or religion, and in this course lies our salvation," he declared. The British North America Act which protected the right of the French minority could not be lightly set aside, he asserted.

These two articles do not very well coincide; they would seem to correspond about as well as the triangle and the circle, if I might be permitted to use that example. I hope that if the leader of the opposition has any control over the Conservative organizations in Saskatchewan he will put the brakes on that particular brand of politics.

I was pleased to note the remarks of the hon. member for St. Lawrence-St. George (Mr. Cahan) as they appear in Hansard on April 29. On that occasion he took exception to newspaper editorials and clippings from the Regina Daily Star containing attacks on the Roman Catholic church, and apparently he was very much concerned with these newspaper articles. I am heartily in accord with him in his condemnation of that disrupting and un-Canadian style of politics. At this time I would like to read a few remarks of the hon. gentleman on that occasion. He said:

I have a considerable number of constituents, probably one-half, who are of the Roman Catholic faith, and a considerable number of those are of the French Canadian race. I find circulated amongst those people newspaper editorials, small excerpts reprinted from the Regina Star and other papers containing

attacks upon the Roman Catholic faith that I, from my training, breeding and education, could certainly never endorse. I find those being circulated in my constituency among my electors, as providing a reason why I should not be returned to parliament from that constituency, simply because I am alleged to be in some sort of a conspiracy with the Saskatchewan government, of whose very composition I am ignorant, to wipe out the Catholic church and to make the Ku Klux Klan supreme in that province. I say to the right hon. gentleman and to those of his supporters who manipulate such propaganda, that if that is continued I am prepared to go throughout the length and breadth of the province of Quebec and tell the people, as I am telling him to-day, that the restricted rights and privileges of the Roman Catholic minority in those prairie provinces are in a large measure due to the terms of the constitutional acts of 1905 which were amended in committee by the government of which Sir Wilfrid was leader, in order to gain for his government an increased support in the English speaking provinces in which the Protestants had a majority. I now say to my hon. friend that if we are to avoid these discussions in my constituency and in the surrounding constituencies, they must at least avoid attributing to me any persistent hostility to the Roman Catholic faith—

An hon. MEMBER: What about the British preference?

Mr. BOCK: To get back to the question of the British preference, I must say that I listened with considerable interest to the speech delivered by the hon. member for Fort William (Mr. Manion). I noticed that he seemed to take very keen delight in abusing and ridiculing everything in connection with this budget and the Liberal party generally. I was much impressed by the vigorous manner in which this hon. gentleman unloaded his logic. Probably I should use the word language rather than logic. While I had previously held the opinion that the hon. member for Toronto Northwest (Mr. Church) was entitled to the belt for rapid-fire oratorical efforts, I am afraid that hon. gentlemen had better look to his laurels because in my opinion the hon. member for Fort William almost eclipsed the record of the hon. member for Toronto Northwest. It would be interesting to have an endurance contest staged between these two hon. gentlemen. I would suggest that Mr. Speaker might donate an oratorical challenge cup to be competed for in open competition. I would venture to say that if my hon. friend the leader of the opposition did not win it himself it would be captured by either the hon. member for Fort William or the hon. member for Toronto Northwest. In the opening remarks of the hon. member for Fort William he stated that he could not understand anything contained in the budget, yet he followed that remark by a criticism which was more extensive in character than the criticisms of any other half dozen members combined. His remarks reminded me of a character in Mark Twain's "Huckleberry Finn." Huckleberry Finn's father was said to have been the champion cusser of the entire neighbourhood, and his devoted son "Huckleberry" being very proud of his old dad, boasted that his parent could cuss faster and more effectively thant any other man in the community. He elaborated upon his father's ability by saying the the elder Finn could begin by cussing his closest neighbour, and from that point would include all the residents of the village, cussing them individually and collectively in a most efficient manner. Then he would widen the compass of his maledictions to include the adjoining neighhood, and he would cuss in particular any person of outstanding importance. After he had completed that category he would take in the senators, judges, congressmen and everyone in authority, always winding up with the president of the United States. He would give the president a thorough cussing and then, for fear he might have overlooked someone, would start with the president once more and go backwards, cussing them all over again. If Huckleberry Finn's father was the champion cusser of the United States I think the hon. member for Fort William might qualify as the champion vituperator, if I might use the word, of the House of Commons, for apparently he took a leaf out of Mr. Finn's Book and retraced his steps to make sure that no member of the government had been neglected.

However, from what I could gather from the occasional drift of reason which could be discerned through his barrage of ridicule I could catch no glimpse of the policy the hon. gentleman would suggest as a substitute for the policy he was criticizing so severely. He did, however, live up to a prediction made by his leader the other day in speaking in Guelph at the nomination meeting of the hon. member for South Wellington, when he said that all converts could be relied upon to make a mess of things. After listening to the speech of the hon. gentleman—of course, he may not be a 100 per cent convert; he may be only a backslider—I was reminded of an occasion during the campaign of 1926, in my own constituency. During that year the Tories fought their campaign with practically no ammunition except the customs scandal and blue ruin; at least that was the case in the west whatever it might have been in the east. They talked customs scandal and blue ruin exclusively in my part of the country.

The leader of the opposition honoured the town of Shaunavon with a visit, during which he addressed a large audience in the local theatre on behalf of the candidate for the Maple Creek constituency. This was the same candidate who was nominated just a couple of weeks ago, at the meeting during which the editor of the Regina newspaper made his startling oration. The leader of the opposition was the main speaker at that meeting, of course, and he had a good audience; the hall was filled. He was in good shape that night; and did not have any trouble at all in speaking and was not embarrassed by any means. This was the first time I had ever seen the leader of the opposition, and I had driven many miles to see him. Of course I did not meet the hon. gentleman, but I was amazed at the way he unloaded conversation. He lambasted the Liberal party wonderfully that night. He took the customs department all apart, tore the officials into shreds, and busted the government wide open. He took a couple of kicks at George Spence, the sitting member for the constituency; put Moses Aziz in gaol and threw away the key, and then took us all for a ride on some boat called the Maggie, or the Margaret. He showed us a wonderful time, and all admitted he was a great speaker. He had language to burn and he burned plenty of it.

After the leader of the opposition had burned up the government pretty successfully, he mentioned that the Tory party was going to safeguard everybody, although he did not say much about protection. He said a vote for the Tory candidate was going to pave highways to happiness, as I remember it, and with little talk of tariff or any other policy he had us just about convinced that if his party was elected it would turn us from bankruptcy to prosperity over night, and that this would happen if only we would get aboard his political band wagon. After he had mopped his perspiring brow and the dust had settled down a bit, he informed the electors that if they wanted another spasm he could turn on some more, but intimated that he would prefer to answer a few questions if any person cared to put them to him. No one volunteered for a moment to ask questions, because the audience were still more or less spellbound, finally a tall, rather tired looking fellow sitting down about the middle of the hall, who from his riding boots and general appearance looked as though he might have come in from some ranch, got to his feet and in a mild tone of voice asked the chairman if the speaker would tell him something about the policy of the Tory party. A solemn hush fell upon that meeting; you could almost hear the chairman gulp as he nearly swallowed his Adam's apple. The man sitting next to the rancher edged away from him as though embarrassed at being even close to a man who would ask a question, which was considered rather impertinent. However, the leader of the opposition rose to the occasion; he stepped to the front of the platform, fixed the questioner with his eagle eye, pointed an accusing finger at him and, in a voice filled with scorn, repeated those well known words which I am sure many of us have heard him use. "He that hath ears to hear, let him hear." About that time the audience caught their breath and heaved a sigh of relief. Apparently they had expected to see the inquisitive rancher wither right up in his boots, but to their amazement he never batted an eye; he replied to the leader of the opposition that he had come to the meeting to hear something about the policy of the Conservative party, but so far he had heard nothing but a tirade of abuse and ridicule directed against everything connected with the Liberal government. He said he had only asked that question because he was interested in learning what the opposition had to offer by way of a policy. Mr. Bennett then rather amplified his previous explanation by stating that in his opinion he had been explaining the Conservative doctrine for more than an hour, and once more he said to that man: "He that hath ears to hear, and hear not; he that hath eyes to see and see not, it were better that a millstone were hanged about his neck and he were cast into the sea."

After he had so successfully disposed of this seeker for information the meeting broke up in the usual way, but there were many murmurs heard throughout the crowd because that inquisitive rancher appeared to have started a new train of thought in the minds of the audience and when the campagn was over the candidate on whose behalf the leader of the opposition had spoken was defeated by Hon. George Spence by between 2,000 and 3,000 of a majority. So it appears to me, Mr. Speaker, that something more than ridicule and abuse will be necessary during this coming election. They will require something more definite in the way of a national policy than they have yet revealed, if they expect to attain even a percentage of that success which the most optimistic among them are predicting.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, I am sure the hon. member who has just taken his seat (Mr. Bock) will not accuse me of discourtesy if I do not attempt to follow him in the various lines of his discourse. It has been well said that every circus must have its clown, and we all realize the truth of that saying now. Least of all do I wish to follow him in the fulsome flattery which he has heaped upon his former provincial leader, the present Minister of Finance (Mr. Dunning). Attention should however be drawn to that reference which he made to my leader in relation to national unity. My leader has been before the public of this Dominion many years and I have never heard it asserted that he has been a disruptor of national unity. On the contrary, I say, and without fear of successful contradiction, that upon every occasion he has been the defender of national unity and of the constitutional rights and liberties of the minority races in this country.

All of us who listened to the pronouncement of the Minister of Finance on May 1 have been wondering just what has come over the spirit of the Liberal party. I have been a member of this house for nearly nine sessions, and it has been instilled into my brain that the policy of the party now in powe was just the reverse of the underlying intent of the budget presented this year. Throughout the whole history of the Liberal party, especially when elections were in the offing, there have been sudden conversions, and there have been at least two or three similar budgets presented during the nine years I have been a member of this house. When the government's ear was to the ground, and when the electors were making known their disapproval of government policy, the Liberal party always has run true to form and has not hesitated to depart from its traditional principles on the eve of the vote taking. The Minister of Finance must have been placed in an ironical position in delivering this budget, having regard to his previous political commitments both in and out of this house, and especially in view of the statements made upon his first platform appearance in the city of Regina. I regret that due to domestic illness the hon. minister has been prevented from being present during the whole of this debate. In that regard I am sure he has the sympathy of every member of this house. But while there may be ample excuse for the absence of the Minister of Finance, there is absolutely no excuse for the absence from this chamber during this debate of the Minister of Railways (Mr. Crerar). In the name of the people of this country I say to the Minister of Railways that it will not do for him to shirk attendance at this debate; he must rise to his feet during the course of this discussion and justify if he can his present political position, having regard to his previous history. The country, and especially the province of Manitoba will be satisfied with nothing less than an explanation either of his conversion or of his recantation.

There is considerable in this budget which warrants careful study and analysis, as I do not believe that any hon. member in listening to the announcements in the budget speech was able to grasp the full importance of the various sections and provisions. It would be strange indeed if any announcement of policy did not contain some good points. There are some points in this budget worthy of the careful consideration of the people of this country and of the members of this house, but those points which do not meet the fiscal conditions at present obtaining in this country are worthy only of the condemnation of the people of Canada. I venture to assert that most of the first-blush verdicts which have been made in respect to this budget will be reversed after a final analysis has been made. Especially is that true with respect to those parts of the budget which are protectionist or which have to do with the application of the British preference.

I have not the time at my disposal to go into a detailed analysis of the provisions of the iron and steel schedule of the budget. I must confess that this is a technical matter and only those well versed in the technicalities of the steel industry are able to pronounce judgment upon it. It would be presumptuous on my part to attempt to make a detailed analysis or to express any final judgment or conclusion. However, I feel sure that we will not obtain the full measure of benefits which I have no doubt the Minister of Finance and the ministry generally sincerely desired should accrue as a result of the changed schedules. The underlying intent in the revision of the steel and iron schedule and of the British preference was to transfer in a degree—just how much we have not been told—a portion of the import business in iron and steel either to this country or to the old country If that is the honest intent of the ministry, I have no quarrel to make because ever since this party came into power in 1921 the business of this country has degenerated to a large degree into the hands of our neighbours to the south. Any reasonable measure which will transfer business from the United States to Canada, or failing to Canada

then to the old country, per se merits our very sincere support. Whether or not this budget will have that effect upon the iron and steel business of this country I do not feel competent to say; I can only express the opinions of others who I believe know what the conditions are. The well considered judgment of gentlemen who should be in a position to judge of this matter is that with respect to certain of the heavier iron and steel commodities there will be a substantial reversal of the present trade conditions, but with respect to other features of the iron and steel trade there will be substantially no difference. In so far as the government has not gone far enough to effect the desired result, the government is to blame.

The budget, as has been said this afternoon, naturally divides itself into three major aspects: the question of the revision of the tariff schedules, the question of the extension of the British preference, and the adoption of the system of countervailing duties, which is, I understand, not exactly a new departure, but which has been put into effect at least by the Liberal party for the first time. I shall not attempt to deal further with the affirmative features of the first aspect of the budget, but before I resume my seat I desire to say a word or two from the opposite standpoint and I suppose I might do so at this point as well as later on. I want to confess to great disappointment that on the eve of a general election the government has not done something more for Canadian industry and labour. That is a very general statement and I should, I suppose, particularize.

I have in mind two industries in my own immediate community. One is a branch of the cotton industry and the other is related to the boot and shoe industry. I must at once take issue with the remark of the hon. member for Southeast Grey (Miss Macphail) that there should have been any extension of the British preference with reference to boots and shoes or cottons. I would say to her: "Have a heart," and I would take her gently by the hand, lead her down to my community, and show her, because there is an old adage that seeing is believing. I would take her to a beautiful little town situated three miles from my own city where away back in 1882 one of the great pioneers of the Dominion established with his own money, with the foresight which was characteristic of him, a great industry in order that the people of that community and country might live at home and not have to go abroad to earn their living. It is true that the industry which he established was not, in the language of some of our free trade friends, indigenous to the country; but at all events he was a man of vision, and there he built of brick, mortar and machinery what was at that time the largest cotton mill in the Dominion of Canada, and which stands to-day as practically the only monument to his memory. That industry has been going on under one ownership or another until the present day. But let me tell the Minister of Justice (Mr. Lapointe) who, I believe, is very solicitous for his friends in the boot and shoe trade, that never before in the history of the cotton industry has there been such depression, yes, despair, as there is to-day. I would show the hon. member for Southeast Grey a beautiful little community with a single industry employing in normal times 800 well paid, happy contented artisans, maintaining a happy population of more than 2,000 souls who, in turn, buy the entire produce of the surrounding country. To-day, would you believe it, as a result of the changes that have been made, not this year but in previous years, by the present government, those people have been reduced so that within the last few months they have been working just three days a week. That has meant all the difference between a happy, contented community and one that is just on the border line of poverty. One of the complaints I have against the budget is that no relief has been afforded for the textile industry. I believe I could duplicate in Quebec, the province of my hon. friend the Minister of Justice, the picture which I am endeavouring to paint in the house to-night, and I can duplicate and more than duplicate it in other sections of my own province.

Mr. CAHAN: It can be increased one hundredfold in the province of Quebec.

Mr. HANSON: I could take the hon. member for Southeast Grey down to the city of St. John where years ago two cotton mills were built by one family and where to-day we have the announcement that one of those mills is to be closed permanently, to the loss of the industrial life of the whole community and to the especial loss of the people engaged in that industry. I am not particularly concerned with the stockholders of Canadian Cottons Limited. The friends of the Minister of Justice situated in the city of Montreal, and especially his friend in the Senate, no doubt have had something to say about that from the standpoint of the shareholders of the company. But let me say this on their behalf: I believe it is a very well managed institution, but for the first time in many years they have just passed their common

dividend and I understand only from to-day's paper that the statement of last year is so bad that the dividend on the preferred shares, that is the outstanding shares of that company preferred as to dividends, upon which shares they rely very largely for their borrowed capital, is in danger of being passed and I have no doubt will be passed. I make a special plea on behalf, not of the shareholders of this corporation or of any other manufacturing corporation, but of the thousands of men and women of this country who have been deprived of a decent livelihood by virtue of the policy of attrition adopted by the government in the last nine years in respect to the textile industry.

Mr. MacLEAN (Prince): The same thing obtains in the United States.

Mr. HANSON: The same thing does not obtain in the United States, and the hon. member does not know what he is talking about.

I am glad to know that the boot and shoe industry has a noble champion in the person of the hon. member for Quebec East, the present Minister of Justice, but I want to put it to him that it is not fair to increase the British preference on boots and shoes to the detriment of our own industry. I yield to no one in my loyalty to the empire; that loyalty has been paid for in blood, but I say to him that in the exercise of the power of extension of the British preference every care should be taken by the government not to injure a presently existing Canadian industry. The boot and shoe industry in this country, especially in the higher class grades of men's boots, is just shivering on the brink of disaster and any further extension of the British preference with respect to boots and shoes will mean the closing up of all the high class factories in the Dominion. I am sure that if the Minister of Justice will investigate the matter he will find from his own friends that that statement is not far astray.

Unconsciously, Mr. Speaker, I have drifted from the first aspect of this budget to the second. I do not intend to labour further on the question of the British preference, because I believe that we can illustrate the dangers of the extension of the principle of the British preference by concrete examples better than in any other way.

Just one word more with respect to the boot and shoe industry. Boots and shoes made in my home city and in the cities of the province of Quebec are to-day selling in the retail stores throughout Canada in competition with boots and shoes made in Northampton, England. On the surface I have no quarrel with that, nor would I have if the two industries, the one located in this country and the other in the old land, were on an exact parity. But they are not, and unless the standards of living and all labour conditions in the old land change, they never will be on an exact parity. In other words, the standard of living of the boot and shoe operators in our Canadian cities is away above and beyond the standard of living of similar operators in Northampton, England. Now unless we are going to adopt the position that we ought not to have this industry at all in this country, or the alternative position that we want the standard of living of our boot and shoemakers in this country lowered to the standard of living in the old land, and working conditions here comparable with the conditions obtaining in Northampton, England, our boot and shoe industry, unless something is done, has got to go down, and I appeal to the Minister of Justice to stand pat on this question of the extension of the British preference with relation to boots and shoes. He has not seen fit to do it in this budget, and I fear very much for the future if the Minister of Justice should be translated elsewhere. I doubt very much, especially in view of the increasing ascendency of the free trade element in the Liberal party save and except as exemplified by this budget, whether the boot and shoe makers of this country would have on the other side of the house any champion if the Minister of Justice should go. So one of the chief faults that I have to find with this budget is what it does not contain.

Mr. YOUNG (Saskatoon): Would the hon. member be good enough to tell the house what change he would make in the tariff with regard to the boot and shoe industry?

Mr. HANSON: Let me preface my answer by saying that I want to make it quite plain that I am expressing my own view. I would adopt such a policy as would stabilize the Canadian industry first, and before I went to any economic conference or considered the further extension of the principle of reducing the British preference I would make a thorough survey of the whole situation, and where I did not think the tariff high enough to start with, I would jack it up first and consider an extension of the preference afterwards. I would jack it up to such a point as to make it plain that I would allow no Canadian industry to suffer in unequal competition with British industry. That is my answer, and I would not be open to the charge of disloyalty either, because the Britisher is a man who plays fair and I think he would say that I was doing just what was right.

Mr. YOUNG (Saskatoon): Is that the policy of the Conservative party on this same item?

Mr. HANSON: That opens up a very wide question. I took very great care to tell my hon. friend from Saskatoon (Mr. Young), who is a friend of mine, I think, that I was speaking for myself. My leader is quite capable of speaking for himself on this or any other question. Further, let me say that if I have read aright the debates of this parliament in previous years I am simply reiterating in different form the doctrine of the late lamented Sir Wilfrid Laurier.

I want to address a few remarks to the question of countervailing duties. I am satisfied that the countervailing duties proposed in this budget are just a feeble gesture on the part of this government in answer to the attitude of the United States. It is nothing but a feeble gesture, and I have no doubt that it wall fall short of the intent of the minds which devised the suggestion. Every thoughtful Canadian—I do not think that this feeling is confined by any means to members of my own party, although I make bold to say that we first seized on the point and recognized it from the very beginning—has felt the danger of the gradual absorption of our trade by the United States. There has been in my own mind a lurking fear of the economic conquest of this country. The development of our trade with the United States, especially in manufactured goods, coupled with the attitude, not of the people of the United States but of the government of the United States, during the last eight years ever since the Fordney-McCumber tariff came into operation, has been fraught with great danger to the economic life of this country. For eight years I have heard gentlemen representing the point of view which I support on this side of the house beg and plead with the present leader of this government (Mr. Mackenzie King) to take notice and some action with regard to that economic situation. Last session especially some of us on this side of the house begged the Prime Minister to take official notice of the action and attitude of the congress of the United States, but until the very eve of an election our pleadings have fallen on deaf ears. But now the great voice of the people willy-nilly has got across to this government, and I believe that there is nothing that the party opposite fears so much to-day as the attitude of shilly-shallying—I can find no better expression—on this great national problem which has characterized the Liberal party during the past eight years. I believe that the Prime Minister is alive to the danger, and he seeks to meet it by this countervailing effort of his. In my humble judgment that effort will fall far short of its intent. In the first place the number of items to which the countervailing duties apply is far too low. I am not going to speak of the question of a brick for brick tariff. I am going to leave that to the Minister of Agriculture to chew over and reflect upon, especially in view of the way in which I have heard him pour ridicule year after year on my late leader. I want to say to the Minister of Agriculture that he along with his colleague the Minister of Railways will have to do some heart-searching. I shall leave that to him. I want to treat this question, if I can, from a business-like standpoint.

This policy of countervailing duties will not in my humble judgment divert the trade that it is sought to divert; neither will the extension of the British preference nor the imposition of certain duties in the iron and steel schedules. If I understand present economic conditions, there is only one way to divert trade from the United States into the hands of our own producers or of our kinsmen across the sea, and that is to raise the duties on manufactured goods, or on other goods that we want to shut out, so high that our foreign competitors cannot send them here. Only in that way will you effectively divert trade from the United States to the British Empire in such commodities as we cannot manufacture here.

I am not at the moment seeking to do that. What I prefer is that we should firmly establish a fiscal policy that will build up this country first. That is the policy my leader has been preaching in season and out of season ever since appointment to his present high office, and that is the policy that the mass of the thinking people of Canada, the artisans and workers, desire. I know that the people in my own community are not so much concerned about the cost of certain articles as they are about having the money in their pockets to buy those articles. I should like that truth to sink into the hearts and souls of some of my free trade friends opposite, because I do not question their sincerity; I question their judgment. In this connection, sir, I believe that when the electorate have an opportunity to declare their views, they will speak in no uncertain tone.

On motion of Mr. Deslauriers the debate was adjourned.

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

## Wednesday, May 14, 1930.

The house met at three o'clock.

### AGRICULTURE AND COLONIZATION

Second report of the select standing committee on agriculture and colonization.—Mr. Kay.

### PRIVATE BILL

FIRST AND SECOND READINGS

Bill No. 139, to incorporate the Hamilton Life Insurance Company.—Mr. Bell (Hamilton).

### PETITION

PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

Mr. E. A. McPHERSON (Portage la Prairie) moved:

That the petition of E. H. Muir and others, praying for an act of incorporation in the name of the Portage la Prairie Mutual Insurance Company, presented this day be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 95 in reference thereto.

Motion agreed to.

### NAVAL TREATY

TEXT OF INTERNATIONAL AGREEMENT FOR THE LIMITATION AND REDUCTION OF NAVAL ARMAMENT, TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table copy in English and French of the international treaty for the limitation and reduction of Naval Armament, London, April 22, 1930, signed in respect of the Dominion of Canada by the plenipotentiary named therein.

### CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 138, to amend the criminal code.

Mr. RYCKMAN: Explain.

Mr. LAPOINTE: This bill proposes a certain number of amendments to the criminal code. I will merely indicate a few of them. First there are amendments suggested by the interprovincial conference that took place two or three months ago between the attorneys general of the various provinces in connection with stock market operations.

There is an amendment repealing certain sections of the criminal code concerning sedition. This is the same as that which has passed the

[Mr. Hanson.]

house on various occasions but which did not get through the other chamber.

There are certain sections which embody a particular bill which has passed the Senate on two occasions in regard to the prevention of the importation and sale of certain weapons, firearms, for instance, except under special conditions. I think this bill which has passed the Senate on two occasions was considered and recommended by a special committee of the house, but the session ended before it could be submitted to the house.

There is a provision prohibiting certain advertisements or the giving of tips in regard to horse races and other games. That provision is similar to one that has been passed by this house on two or three occasions but has failed of being adopted in the other house.

Mr. McGIBBON: Is the other house safe now?

Mr. LAPOINTE: I do not know. There are also certain amendments suggested by the attorneys general of Ontario and the other provinces concerning culpable negligence especially in connection with motor car accidents. Certain other sections have been urged by representatives of the Humane Society in various parts of the country concerning cruelty to animals. Finally, there are certain amendments in the matter of procedure which have been suggested and recommended by the attorneys general and other persons entrusted with the administration of criminal justice in the province.

Motion agreed to and bill read the first time.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

A. W. GREENE

Mr. BLACK (Yukon):

1. Was A. W. Greene, solicitor, Ottawa, employed in any work for the Department of Public Works during the years 1921 to 1930, inclusive?
2. If so, what was the nature of the work performed by him?
3. Was the said Greene employed by any other department during the period above mentioned?
4. If so, what was the work performed by him?
5. Was the firm of Greene, Johnson and Strike, solicitors, Ottawa, employed by any department during the period of 1921 to 1930, inclusive?
6. If so, what was the nature of the work so performed?
7. What was the total sum paid: (a) to the said A. W. Greene; (b) to the firm Greene, Johnson and Strike, Ottawa, during the period of years 1921 to April 1930, inclusive?

Mr. RINFRET:

1. Yes.

2. Legal services in connection with the acquisition of the following properties by the Department of Public Works: Cranston property, Sussex street; Gatineau Co., Ltd., property, Sussex street; Ottawa Electric Co., property, Sparks street; Irvine property, Sparks street.

3. Yes.

4. Services as representatives of the corporation of Ottawa on a board of conciliation and investigation appointed by the Minister of Labour under the Industrial Disputes Investigation Act, in the matter of differences between the corporation of Ottawa and certain of its employees, being firemen, members of the International Association of Fire Fighters.

5. The firm of Greene and Johnson, barristers and solicitors, Ottawa, was employed in 1927, by National Revenue department. Mr. Glenn E. Strike was employed in 1926 and again in 1928. Subsequently he joined the firm of Greene and Johnson.

6. Messrs. Greene and Johnson were employed in connection with the investigation made by the Royal Commission on Customs and Excise. Mr. Glen E. Strike was engaged in connection with the recovery of arrears of sales tax.

7. (a) Public Works Department, $4,870.08; Labour department, $215.

(b) National Revenue department, Greene and Johnson, $200; Glenn E. Strike, $47.

IMMIGRATION REJECTIONS

Mr. RYERSON:

1. Have any prospective immigrants been refused admission to Canada during the fiscal years 1928 and 1929 on account of mental disorders?

2. If so, how many in each of the said years?

Mr. STEWART (Edmonton):

1. Yes.

2. In the fiscal year 1928-29, 772 persons who contemplated coming to Canada were certified in the British Isles and on the continent under section 3 ss. (a) of the Immigration Act; while 336 were certified in the British Isles and on the continent under section 3 ss. (k). In the fiscal year 1929-1930, 560 persons were certified by our oversea medical service under section 3 ss. (a) and 240 under section 3 ss. (k); making a total for the two years of 1,332 under section 3 (a) and 576 under section 3 (k).

In addition to the above certifications on the continent and in the British Isles, rejections under section 3 ss. (a) numbered 17 at Canadian ocean ports during the fiscal year 1928-1929, and 26 during the fiscal year 1929-1930, or a total of 43 at the ocean ports for both years. There were also 63 rejections under section 3 ss. (a) at ports on the international boundary during 1928-1929, and 78 during 1929-1930, or a total of 141 on the Canadian border during the two years mentioned.

Section 3 (a) of the Immigration Act prohibits the entry to Canada of the following—idiots, imbeciles, feeble-minded persons, epileptics, insane persons, and persons who have been insane at any time previously; while section 3 (k) prohibits the entry of persons of constitutional psychopathic inferiority.

NAVAL SERVICE—REPAIRS

Mr. ROSS (Kingston):

What amount was spent on repairs to different units of the Canadian navy during the years 1926-1927-1928-1929?

Mr. RALSTON:

| | |
|---|---|
| 1926-27 | $ 87,377 29 |
| 1927-28 | 133,455 64 |
| 1928-29 | 55,316 12 |
| 1929-30 | 76,657 98 |
| Total | $ 352,807 03 |

RAW LEAF TOBACCO

Mr. GOTT:

1. How much raw leaf tobacco was imported from the United States during the year 1929?

2. What is the present rate of duty per pound: (a) stemmed; (b) unstemmed?

3. How much tobacco was exported from Canada during the year 1929 to: (a) Great Britain; (b) other countries?

4. What is the present rate of duty on tobacco, all grades, raw and manufactured, entering Canada?

5. What grades of tobacco were imported during the past year?

6. How many pounds of tobacco were produced in Canada during the years 1924, 1925, 1926, 1927, 1928, 1929?

7. How many pounds were exported during the aforementioned years (by year)?

8. How many pounds were imported during the aforementioned years (by year)?

Mr. RINFRET:

1. Canada's imports of unmanufactured tobacco from the United States, calendar year 1929, were 16,408,039 pounds; value, $5,441,662.

2. Tobacco, unmanufactured, for excise purposes under conditions of the Excise Act is

free of customs duty but subject to an excise duty of 60 cents per pound for stemmed and 40 cents per pound for unstemmed.

3. Canada's domestic exports of tobacco to (a) United Kingdom, (b) Other countries, calendar year 1929, were:

| (a) United Kingdom— | Pounds | $ |
|---|---|---|
| Unmanufactured tobacco | 5,809,207 | 1,635,949 |
| Cigars | 180 | 245 |
| Cigarettes | 60 | 69 |
| Plug and twist tobacco | — | — |
| Tobacco stems and cuttings | 2,900 | 87 |
| Other tobacco | 255 | 342 |
| Total | 5,812,602 | 1,636,692 |

| (b) Other countries— | Pounds | $ |
|---|---|---|
| Unmanufactured tobacco | 1,434,838 | 109,317 |
| Cigars | 750 | 2,420 |
| Cigarettes | 2,151 | 2,281 |
| Plug and twist tobacco | 9,598 | 5,885 |
| Tobacco stems and cuttings | 352,900 | 5,366 |
| Other tobacco | 18,353 | 17,237 |
| Total | 1,818,590 | 142,506 |

4. Tobacco, unmanufactured, for excise purposes under conditions of the Excise Act, free.

Cigars, the weight of the bands and ribbons to be included in the weight for duty, $3.90 per pound and 25 per cent.

Cigarettes, the weight of the paper covering to be included in the weight for duty, $4.10 per pound and 25 per cent.

Cut tobacco, 95 cents per pound.

Manufactured tobacco, n.o.p. and snuff, 90 cents per pound.

5. No information available as to grades. According to United States trade returns the following types of leaf tobacco were exported to Canada: bright flue-cured; Burley; dark-fired Kentucky and Tennessee; dark Virginian; Maryland and Ohio export; Green River; cigar leaf; and Perique.

6. Canada's yield of tobacco during the years 1924 to 1929, inclusive, was:

| Year | Pounds |
|---|---|
| 1924 | 18,711,000 |
| 1925 | 29,266,000 |
| 1926 | 28,824,000 |
| 1927 | 43,917,000 |
| 1928 | 41,976,000 |
| 1929 | 29,886,000 |

7. Canada's domestic exports of tobacco, in pounds, calendar years 1924 to 1929, inclusive, were:

| Calendar years | Unmanufactured tobacco Pounds | Stems and cuttings Pounds | Manufactured tobacco Pounds |
|---|---|---|---|
| 1924 | 3,627,826 | 685,500 | 146,104 |
| 1925 | 1,974,765 | 541,600 | 121,134 |
| 1926 | 5,050,118 | 457,500 | 251,093 |
| 1927 | 5,867,479 | 430,700 | 257,160 |
| 1928 | 6,199,913 | 420,800 | 155,175 |
| 1929 | 7,244,045 | 355,800 | 31,347 |

8. Canada's imports of tobacco, in pounds, calendar years 1924 to 1929, inclusive, were:

| Calendar years | Unmanufactured tobacco Pounds | Manufactured tobacco Pounds |
|---|---|---|
| 1924.. .. | 18,034,551 | 481,283 |
| 1925.. .. | 14,847,553 | 472,594 |
| 1926.. .. | 16,100,333 | 485,947 |
| 1927.. .. | 18,678,745 | 482,308 |
| 1928.. .. | 17,943,070 | 476,712 |
| 1929.. .. | 17,717,610 | 472,328 |

BUTTER—PRODUCTION AND PRICES

Mr. TOBIN:

1. What is the tariff on butter entering: (a) the United Kingdom; (b) Canada; (c) the United States of America?

2. How have prices for creamery butter at London, New York and Montreal compared during the current calendar year?

3. How did production of creamery butter, by provinces, in Canada, during 1929, compare with production during 1928?

Mr. RINFRET:

1. (a) Duty free; (b) New Zealand butter imported direct from New Zealand to a sea or river port of Canada, 1 cent per pound.

Australian butter imported direct from Australia to a sea or river port of Canada, 1 cent per pound.

Item 18 of the budget resolution at present before parliament, effective on and since the 2nd May, 1930, reads as follows:

Item 18.—Butter—

British preferential tariff.. 4 cents per lb.
Intermediate tariff. .. .. 6 cents per lb.
General tariff.. .. .. .. 7 cents per lb.

Provided that, if any country imposes upon butter produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon butter entering Canada from such country.

(c) At present 12 cents per pound.

2. Average wholesale jobbing quotations for creamery butter at the close of each week:

| Date—1930 | New York Creamery Extras 92 score cents per lb. | Montreal No. 1 Pasteurized cents per lb. | London Australian Finest cents per lb. | Premium Montreal over London cents per lb. | Premium Montreal over New York cents per lb. | Premium New York over Montreal cents per lb. |
|---|---|---|---|---|---|---|
| January 4.. .. .. .. | 37.25 | 38.87 | 33.41 | 5.46 | 1.62 | |
| January 11.. .. .. .. | 35.62 | 38.12 | 32.48 | 5.64 | 2.50 | |
| January 18.. .. .. .. | 37.00 | 37.75 | 32.55 | 5.20 | .75 | |
| January 25.. .. .. .. | 38.00 | 36.75 | 33.09 | 3.66 | | 1.25 |
| February 1.. .. .. .. | 36.50 | 36.25 | 32.76 | 3.49 | | .25 |
| February 8.. .. .. .. | 36.50 | 36.50 | 32.55 | 3.95 | | |
| February 15.. .. .. .. | 37.00 | 36.62 | 31.90 | 4.72 | | .38 |
| February 22.. .. .. .. | 35.00 | 36.25 | 30.81 | 5.44 | 1.25 | |
| March 1.. .. .. .. .. | 34.00 | 35.62 | 30.49 | 5.13 | 1.62 | |
| March 8.. .. .. .. .. | 36.00 | 35.50 | 29.19 | 6.31 | | .50 |
| March 15.. .. .. .. .. | 38.25 | 35.12 | 29.51 | 5.61 | | 3.13 |
| March 22.. .. .. .. .. | 38.37 | 35.00 | 28.64 | 6.63 | | 3.37 |
| March 29.. .. .. .. .. | 39.75 | 34.25 | 27.22 | 7.03 | | 5.50 |
| April 5.. .. .. .. .. | 39.00 | 33.12 | 26.90 | 6.22 | | 5.88 |
| April 12.. .. .. .. .. | 38.50 | 31.25 | 25.60 | 5.65 | | 7.25 |

3. Preliminary report of production of creamery butter in Canada during 1929, as compared with 1928, is shown hereunder:

| Province | 1929 | 1928 | per cent Increase | per cent Decrease |
|---|---|---|---|---|
| | lbs. | lbs. | | |
| Prince Edward Island | 1,929,987 | 2,036,838 | | 5.2 |
| Nova Scotia | 4,254,379 | 4,479,276 | | 5.0 |
| New Brunswick | 1,850,768 | 2,091,723 | | 11.5 |
| Quebec | 57,569,163 | 52,526,248 | 0.9 | |
| Ontario | 57,000,000 | 63,733,187 | | 10.5 |
| Manitoba | 15,472,109 | 13,782,167 | 12.2 | |
| Saskatchewan | 14,780,000 | 11,310,496 | 30.6 | |
| Alberta | 16,025,000 | 14,375,636 | 11.4 | |
| British Columbia | 3,700,000 | 3,691,468 | 0.2 | |
| Total | 172,581,406 | 168,027,039 | 2.7 | |

TRENTON AIR PORT—FENCING

Mr. RENNIE:

1. Were tenders called for chain link fencing used in connection with government air port at Trenton, Ontario?
2. If so, how many tenders were received, and from whom?
3. Was the lowest tender accepted, and what was the name of the person or firm submitting the said tender?
4. What are the names and addresses of the directors and officers of the firm which secured the said contract?
5. What firm supplied or will supply the material?
6. Where is the said material manufactured, in Canada or the United States?
7. If in United States, why was Canadian material not used?

Mr. RALSTON:

1. Yes.
2. Six: Frost Steel and Wire Co. Ltd., Hamilton, Ont.; Steel Co. of Canada, Ltd., Montreal, Que.; Walker Hardware Co. Ltd., Belleville, Ont.; S. Bilsky, Ottawa, Ont; representing the Dennisteel Limited, of London, Ont; Dominion Chain Co. Ltd., Niagara Falls, Ont.; Sarnia Fence Company, Ltd., Sarnia, Ont.
3. Yes: Walker Hardware Company, Ltd., Belleville.
4. No information.
5. Canadian Steel Corporation, Ltd., Ojibway, Ont.
6. In Canada.
7. Answered by 6.

GLACE BAY POST OFFICE

Mr. MacDONALD (Cape Breton South):

1. What is the present staff employed in the Glace Bay post office?
2. How many letter carriers are employed in Glace Bay?

[Mr. Rinfret.]

Mr. VENIOT:

1 and 2. 1 Postmaster; 1 assistant postmaster; 1 postal clerk; 1 clerk, grade 2; 1 clerk, grade 1; 6 letter carriers; 1 postal helper; 1 temporary postal helper; 2 temporary letter carriers.

MOUNTED POLICE—PAY AND ALLOWANCES

Mr. SPENCER:

1. What are the total monthly rates of pay and allowances to constables and N.C.O's in the Royal Canadian Mounted Police?
2. Have these officers received any increase in pay within the last ten years other than the extra allowance for long service?
3. Is it the intention of the government to bring the scale of pay more in accord with the present cost of living?

Mr. LAPOINTE:

(1)

| | Straight pay per day | 30 day month |
|---|---|---|
| Constables 1st year | $2 00 | $60 00 |
| Constables 2nd year | 2 05 | 61 50 |
| Constables 3rd year | 2 10 | 63 00 |
| Constables 4th and subsequent year | 2 25 | 67 50 |
| Corporals | 2 50 | 75 00 |
| Sergeants | 3 00 | 90 00 |
| Staff Sergeants | 3 25 | 97 50 |
| Eight Staff Sergeants | 3 75 | 112 50 |

Extra Pay. Extra pay to a limited number of detectives, blacksmiths, other artisans and also for special work such as prisoners' escorts, clerical work, etc., ranging from 25 cents per diem in the case of prisoners' escort to $1 per diem in the case of an experienced non-commissioned officer detective.

Allowances. All N.C.O's and constables are supplied with free rations, lodging, clothing and kit and medical attention.

In cases where it is not convenient to supply rations in kind, a ration allowance of 60 cents per diem is granted.

Married N.C.O's and constables receive the same pay as those who are unmarried but a double ration is granted in the former case.

(2) No.

(3) The pay of non-commissioned officers and constables was increased in 1919, in accordance with the increased cost of living, and is now considered adequate and in proportion to the pay of other organizations.

## UNOPPOSED MOTION FOR PAPERS

WORK AT FIRST NARROWS, VANCOUVER

Mr. STEVENS:

For a copy of the report of the resident engineer and/or of the Deputy Minister of Marine in regard to the work being done under contract in the First Narrows, Vancouver, British Columbia.

## RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I wish to ask the government if they are yet in a position to make a report on the Russian anthracite importations.

Hon. CHARLES STEWART (Minister of the Interior): No, Mr. Speaker. We are still gathering information in connection with this question.

Mr. GARLAND (Bow River): May we expect a report before the end of the session?

Mr. STEWART (Edmonton): I shall do my very best to expedite a report.

## INQUIRY FOR RETURN

On the orders of the day:

Mr. H. B. SHORT (Digby-Annapolis): An order of the house was issued on April 28th last for a return of correspondence in connection with steam trawlers and draggers. I would ask the Minister of Marine and Fisheries (Mr. Cardin) when I may expect the correspondence.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I shall make inquiries and try to expedite the bringing down of the return

## CIVIL SERVICE

MINIMUM SALARY OF ONE HUNDRED DOLLARS A MONTH

On the orders of the day:

Mr. JOHN EVANS (Rosetown): I would ask the Prime Minister (Mr. Mackenzie King) a question based on a telegram that I received this morning from Regina, from the secretary of the amalgamated civil servants, whether it is the intention of the government to deal with their request for a minimum salary of $100 per month.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I assume that the telegram which my hon. friend has received is similar to several dozens that I have received and all of which are worded in exactly the same way. I had better read one of these telegrams to the house because it is desirable that hon. members should have the contents before them. This wire is one, as I have said, of very many that are similarly worded:

> Dominion civil servants emphatically protest against any further delay in establishment of one hundred dollar minimum. After many years patient waiting can parliament assure us that legislation based on our request for adequate salaries will be introduced and passed before dissolution?

The house will observe that the request is of parliament to state what it is going to do in respect of a minimum salary for civil servants. Whoever was responsible for drafting and circulating that particular telegram has not to my mind been particularly helpful to the cause of the civil servants, because I do not believe that parliament as such could be expected to reply to a communication so worded.

Mr. BELL (Hamilton): Not by five cents.

Mr. MACKENZIE KING: So far as the government is concerned, I may say that we are giving very careful attention to the whole question of what is to be done with regard to the salaries of members of the public service. A general election has been announced, and I assume that any pronouncement which the government may make with respect to salaries of the civil servants would be viewed by the country and possibly by members of the house as having been made in the light of that announcement. May I say that that is one aspect of the question to which the government at the moment is giving very careful consideration? There is a desire, I believe, on the part of members of the public service to have the position of those in the lower grades investigated in accordance with one of the recommendations of the Beatty report before action is taken on the Beatty report itself. It is just possible that the government may think it advisable to follow that course, but for the present I do not wish to make any announcement as to what will be done beyond saying that I do think, a general election having been announced, it is in the public interest that great caution should be taken by the adminis-

tration and by parliament as respects any rivalry between the different parties in this house as to who is to have the last word in the matter of either increases or decreases.

## SOLDIER SETTLEMENT BOARD STAFF

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether it is the intention of the government at this session to make provision for placing the staff of the Soldier Settlement Board on a permanent basis as a part of the civil service?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sorry that I cannot answer my hon. friend at the moment.

## TARIFF REDUCTIONS AND WHEAT

On the orders of the day:

Hon. FERNAND RINFRET (Secretary of State): Yesterday, Mr. Speaker, the hon. member for East Simcoe (Mr. Thompson) inquired as to when he might expect further information than that contained in the return brought down on April 28, concerning certain tariff reductions. I should like to draw my hon. friend's attention to the fact that this supplementary return has been tabled this day.

## THE BUDGET

CONTINUATION OF THE DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, May 13, consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto to Mr. Bennett, and the amendment to the amendment thereto of Mr. Fansher (Last Mountain).

Mr. HERMAS DESLAURIERS (St. Mary) (Translation): Mr. Speaker, the budget of the hon. Minister of Finance (Mr. Dunning) has heretofore afforded to our opponents the opportunity of making unwarranted criticisms which really have no weight whatsoever. In 1921, the people of Canada worried in many ways by the government of that day, desired ardently an era of peace. It was then that the present Prime Minister of Canada (Mr. Mackenzie King) put in his program as an outstanding feature, a promise of an era of peace, should the citizens of Canada entrust him with their confidence. No one, to-day, can state that the Prime Minister failed to carry out his promise and that his efforts did not tend to ensure peace to this country. Because our neighbours, through their legislation, seem to express a desire of ceasing all trade with us, the Prime Minister, without any fuss directed the efforts of his government in negotiating with better disposed countries. On the other hand our opponents, if we are to believe them, would have preferred to see the government take part in a series of provocative tariff wranglings, forgetting that imported page of history, when England in 1775, on a simple tariff question, lost her wealthiest colony, the United States, and might also have lost Canada, had it not been for the bullet of a valiant French-Canadian which laid low the brave General Montgomery, saved the situation and preserved the colony to the British Empire. These tariff changes may perhaps afford the opportunity to a few trade profiteers to squeeze for a time the people of this country, but their little sport will be of short duration since our relations with the West Indies and Bermuda, helped by our merchant marine equipped for the transport of fruits and vegetables will enable the government to improve conditions without much delay. The people must continue to trust the present government, if it wishes to enjoy peace in this country, and they can rest assured that if, one day, Canada is annexed to the United States the Liberal party's policy will not be to blame but the fault will be with the provoking methods of the Tory policy.

One question of which the present budget makes no mention, but which is very much alive, is that of the canalization of the St. Lawrence river. For some years it has been before the universities, the newspapers, the parliaments—as much American as Canadian—and in commercial circles under the title of "The Great Lakes Waterway," contemplating the canalization of the St. Lawrence to the head of the Great Lakes. In certain quarters this scheme is considered possible and practical. The Federation of Shippers, an association regarded as an authority in navigation, declares that the project is a serious error from the standpoint of navigation; the Chamber of Commerce of Montreal, a body composed of business men, opposes it from the economic viewpoint. But Ontario sees Toronto becoming an ocean port and Montreal a secondary harbour; the farmers of the west allow themselves to believe that the cost of shipping their grain will be made practically negligible; while others still more enthusiastic go to the length of hailing lake Superior as "the Mediterranean of the North!"

Numerous engineers come forward to present claims and opinions which are contradictory, and depend upon the party to which they belong.

However, from what we can deduce from official reports at our disposal, it seems to be agreed that the enterprise is practicable. I consider the question in the light of two factors, the time and the money. These reports and the supporters of the scheme tell us that navigation would be the principal objective and that the development of hydro-electric power would be secondary. However, setting to one side all these diverse opinions, interested or not, carefully studied, or not, I will consider this from the point of view of business and logic.

Starting from this point of view, I contend that the enterprise is not inspired by the actual needs of navigation, that the future holds out no promise of a time in which the project could be called necessary, and, moreover, that it cannot have navigation as its principal objective. Finally I say that the question of electrical power cannot be held a factor at present, since we have to deal with American financiers interested in the eastern part of the United States and who are at present engaged in figuring how they can lay a heavy hand upon our water-power resources for the benefit of their country.

Moreover, the completion of the project would not deal a death blow to the port of Montreal, nor abet the ambitions of Toronto, nor would it reduce in any degree the transportation costs of the western farmer. Thus, as it is a question involving an expenditure of probably a billion dollars, the greatest caution should be adopted before taking any decision, whether upon a joint enterprise or otherwise. It is the duty of the taxpayer, responsible already for two and one-half billion dollars of national debt, to study seriously what is proposed before committing himself.

Any person who knows anything, however little, of the history of his own country will admit that in the early days of colonization the St. Lawrence river was the only commercial artery, and that it rendered substantial service to the district through which it flowed. In later times it has continued to serve, but not alone, since it has shared the commerce with the railways. The progress, not alone of Canada, but of every country in the world, has imposed upon trade generally the necessity of rapid transportation, which has resulted in the development of the railways as carriers, a system of transportation more rapid, less dear to insure, less exposed to weather hazards, going everywhere and at all times, so that transportation by water, especially in the canals, is very slow and does not possess any of the advantages of which the railways boast.

From these considerations we see, not only in Canada, but also in all other countries, a shrinkage in the volume of goods shipped by canal, while we see, on the other hand, the shipments by rail increase substantially, except in a few exceptional cases.

To emphasize this point—knowing that our canal systems are actually utilized only to 66 per cent of their capacity, considering that Fort Churchill in the future will divert a considerable volume of the grain of the West from the St. Lawrence, that the development and steadily increasing accommodation of the harbours of Vancouver and Victoria will absorb more and more, notwithstanding the methodical reorganization of agriculture in Russia, the serious competition of Tchecoslovakia, the southern republics and the Scandinavian countries—all these things are surely sufficient to show that the existing canals are more than adequate. They force us to admit that we may look for a gradual diminution in the annual tonnage passing through our canals, since we know that half of our western grain production goes through the United States by rail via Buffalo, even New York, at a greater cost of transportation, and that this condition will continue into the future. It surely is not possible for us, therefore, to give the need for wider transportation facilities on the St. Lawrence as the premier object of this enterpise, neither for the present nor for the future.

The need for water power cannot be urged on behalf of the project since Quebec and Ontario are exporting electrical energy by the hundreds of thousands of horse power to the United States, under yearly contracts which are susceptible of being cancelled from year to year if the provinces so desire.

Such is not the case with the Eastern states, the real ones behind the scheme and the only ones to derive any benefit from it, more particularly if they could get this power at half price after having inveigled us into paying half the cost of the undertaking.

The taxpayers always foot the bill and they should, in their own interests, learn and retain just what it costs to build these so-called seaway shipping canals; the methods and the results of these undertakings are, to my mind, always the same in all countries.

When the Panama Canal was first broached it was understood that the cost would be in

the neighbourhood of $100,000,000; but when the work was done people realized that it had cost $430,000,000. The Chicago canal, which according to the first estimates, could be completed for $16,000,000, cost all told $92,000,000. The Manchester canal cost 110 per cent more than the estimate, as did the Suez canal; the Welland canal, supposed to cost only $55,000,000, will have cost $115,000,000 or $120,000,000 before its completion.

This scheme, according to the engineers' first estimates, was to cost $252,000,000 (report of June 24, 1925). Later on this was revised to $650,000,000. Other engineers that I have consulted have told me that this undertaking might well cost one billion dollars or more. So we are perfectly justified in leaving a considerable margin in all these calculations, since these engineers' estimates have always been wide of the mark and the final cost has been two, three, even four times the original figure, despite the fact that the engineers responsible have been men with a well deserved reputation for science and workmanship.

Therefore the people of the country have fair warning that they are confronted with an undertaking of a kind that is always deceptive and decidedly expensive; that they should think well before going into an enterprise of that nature.

Let us say that our part of the cost will be $325,000,000 or one-half of $650,000,000; the yearly fixed charges will be a heavy burden for the public to bear. The annual interest at 4½ per cent will be $14,625,000; maintenance and operation of a 25-foot canal will cost about $2,000,000 more; roughly a yearly total of $17,000,000 which in all likelihood will be near $20,000,000. While two economic factors which remain unchanged, time and transportation insurance, cause half of our Canadian wheat to be sent by rail through Buffalo via New York, it is nevertheless a fact that the quantity of wheat shipped to Montreal through our canals averages less than 100,000,000 bushels a year. But, speaking in a broad way, let us suppose that in 1935 we carry 400,000,000 bushels; it will require 4½ cents per bushel to meet the annual fixed charges of $17,000,000.

If, instead of building this canal for $650,000,000, with a yearly fixed charge of $17,000,000 for the transportation of 400,000,000 bushels of wheat, the government helped the farmers of the west with a bonus of two cents a bushel, at a total cost of $8,000,000, which implies that our present canal system would be utilized to only 50 per cent of its capacity, the one and only object of those who are behind this scheme, namely a reduction of two cents a bushel in the cost of our western wheat to the seaboard would be attained and the government would save the balance of the $17,000,000 or $9,000,000. It is quite evident that the government cannot accept this policy of a bonus which, would be class legislation of the worst kind; but the promoters have not yet succeeded in showing us that their scheme would bring about a reduction of two cents a bushel in the freight rates. On the contrary, it is more than likely that there will be no reduction whatever. That is what a business man, looking after his own interests, would do in like circumstances. Why should the public authorities not have recourse to the same solution, or else why should they have anything to do with such a scheme? We may readily conclude that the prime object of the enterprise is not navigation, which is more than amply provided for; we know that the proposed innovation would not result in lowering the freight rates; for corroboration we have only to look to the engineers' schedule of expenses where they allow 5-6 of the $650,000,000 for water-power development, which means 5-6 for the main object of the scheme power.

Of the total cost of $650,000,000 there is set aside the sum of $120,155,000 for digging a 25-foot canal. The Thousand Islands section is to cost $1,100,000; the international waterfalls $33,481,000; lake St. Francis, $980,000; Soulanges $31,594,000, which represents the first group, Soulanges and Lachine forming the second.

Lachine would cost $53,000,000. According to the estimates the first group would yield 2,700,000 h.p., the second group 5 million h.p.

One could not choose a more inopportune time for such an undertaking; we have a population of barely nine millions, we are saddled with 22,000 miles of railway and our national debt is over two billions of dollars. At a time when our war taxes are still a heavy burden foreign speculators come here and try to talk us into accepting this white elephant which will cost at the very least $500,000,000, while it is evident that our navigation system can well get along without it and that we have no need of additional water-powers. We are justified in making an appeal to common sense; for if we go into this thing without due reflection we are bound to pay the consequences.

We must necessarily take into account the opening a new seaport at Churchill with an objective exactly similar to that of the St. Lawrence which, at the start will be another burden on the Canadian taxpayer anl later will attract a considerable share of the St. Lawrence canal's business; also the C.N.R. and C.P.R. will lose a goodly part of their

profitable traffic between Georgian bay and Montreal; after all, our western grain can be shipped only once. The first part of the haul is by rail; and since the railroads will have had their receipts lessened for the benefit of the canal system they will eventually have to increase their freight rates on grain; so what the farmer gains on the one hand he sacrifices on the other, and in the end he'll be no better off.

Our canal system as it stands to-day, and it is used to only 50 per cent of its capacity, cost this country $250,000,000. When it was decided to build a canal 14 feet deep from Montreal to lake Superior those responsible foresaw a tremendous increase in traffic. Were their hopes justified? The reports of the Dominion Bureau of Statistics inform us that for a period of 19 years, from 1908—when we began to keep separate statistics for the traffic in American and in Canadian grain—up to 1926 inclusive, there has been a decrease in traffic. The reasons are not far to seek: they always are and always will be the same: quicker delivery and lower insurance rates. In other words the necessity of shipping the goods the quickest possible way and avoid high rates of insurance. Such is the business policy adopted throughout the entire world; and all the engineers' estimates will not change it one iota.

The federal statistics report shows clearly that during this period while water borne traffic decreased there was an increase in railway transport.

In 1913, 11,130,865 tons passed through our canals; in 1925, 9,750,311 tons; and in 1918, 3,369,474.

The difference in the volume of traffic is quite apparent. If we take an average for the five-year period from 1916 to 1921 it gives us 4,559,149 tons.

Let us divide that 19-year period into two parts, the first from 1908 to 1917 inclusively; the second from 1918 to 1926. We find that for the first part 78,197,080 tons passed through our canal, or an average of 7,819,708 tons per year.

During the second part, our canal traffic was 59,065,570 tons, an average of 6,451,752 tons, or a decrease of 4.7 per cent, as contrasted with the first part of the given period.

It cannot be claimed this was due to a general decrease in traffic because during the same period railway traffic increased tremendously. For the first 10 years from 1908 to 1917, our railroads carried 900,691,796 tons or an average per year of 90,069,179 tons for the latter part of this period that is, the nine years from 1917 to 1926, the total traffic reached 1,037,903,947 tons, a yearly average of 114,211,550 tons. So while our canal system suffered a decrease in traffic of 4.7 per cent, our railroads were carrying 25 per cent more freight. This state of affairs was not characteristic of Canada but prevailed throughout the entire world with the one exception of the Panama Canal, which unites two oceans; this justified Prof. Milverton of Chicago in claiming that canals were a commercial error.

At any rate, this furnishes a powerful argument against those who would have us believe that the deepening of the St Lawrence to 25 feet is an urgent necessity. Following along the same line of reasoning we have the case of the Erie canal which serves quite aptly for purposes of comparison to the St. Lawrence project, as it runs through a highly industrialized region, and within the reach of the west, having a certain depth and capable of being further deepened. It would serve the same purpose that the promoters of the St. Lawrence canal have in mind, and perhaps with better chances of success. The aim which the New York state had in view was a canal of 25 feet in depth with prospects of controlling the output of the same territories included in the St. Lawrence scheme. The Senate and Congress unanimously voted $112,000,000 to put into execution this scheme; however, Symmons, an engineer of high repute, having the confidence of the authorities of his country refused to carry it out, qualifying it as a dream, he however deepened it by 5 to 12 feet and this cost double the amount voted. Events proved that he was right, he saved his country a considerable amount of money. Indeed, in the five or six years which followed the deepening of the canal to 12 feet, they did not transport one-fifth of the freight they carried when the canal was but 5 feet deep, and, in 1926, they were losing 80 per cent of the volume of freight, notwithstanding the improvement to the canal; this so astonished the Governor of New York, that he advised the closing of the canal or renting to private companies. This is an example to us showing that we should be careful, if the U.S. did not succeed, how can Canada do better.

The public must give their serious attention to our canal traffic. In 1926, 9,656,190 tons passed through our canal, of this total 3,340,000 tons were grain, 663,000 tons pulp, 351,000 tons sand, manufactured products 723,917 tons, and merchandise 251,066 tons. Machinery being considered as a negligible amount. It is easily seen that the traffic was not very diversified and that the main portion was grain.

It cannot be denied that the geographical position, and bulk transportation over a long distance react to the advantage of the western farmer if he can make use of our canal system. Navigation is a profitable means of transport only when the goods shipped are forwarded to a distributing centre within easy access of a seaport or shipped from one point to be distributed at a similar point, when there is not too much trans-shipment which would increase the rates of transport and would be a disadvantage to the system. Moreover our canals are used only seven months of the year and for certain definite points of destination, which affects only two or three per cent of our total production; on the other hand, our railroads go everywhere throughout the entire year and carry 98 per cent of our products.

Surely it is not reasonable after all we have seen to ask us to undertake such a heavy expenditure at so great a risk. Everyone will admit that any reduction in freight rates through our canals will be of benefit to the western farmers; but it is impossible to admit that our present canal system is inadequate while as a matter of fact we do not use it beyond 50 per cent of its capacity. Neither can we admit that the deepening of the St. Lawrence waterway will bring about reduction in freight rates from Fort William. That is, what nobody has succeeded in demonstrating, even in theory. Grain reaches us through one point, that is the Sault St. Marie canal. We have there a lock with a depth of 19.6 feet, hardly used during the season of navigation since it will only accommodate 2 per cent of the grain which reaches us; the remaining 98 per cent pass through the United States locks, which are large and equally allow free passage, the latter have a depth of 24 feet. Although wheat production has considerably increased in the west, we must bear in mind that the capacity of a canal or of any transportation facilities, is determined by the total amount of traffic, and not by part of that traffic, even though important as it may be. The depth of the Canadian lock at Sault St. Marie is 19.6 feet, while that of the American locks are 24 feet, allowing the larger vessels of the Great Lakes to pass through. Lower down we have the new Welland canal which, when completed, will permit vessels to reach places like Prescott, from these the cargoes will be transhipped by barges or other vessels to Montreal, this is more rapid, less dangerous, less costly as regards to insurances and cheaper than by larger vessels.

Every business man who has to do with transporting our western grain must remember that the trip to Fort William has to be made



with empty vessels which means double distance and double expense. Whether this canal is built or not, things will be just the same, and those concerned must remember furthermore that these boats will be in dry-dock for five months or more every year. It is really too fantastic to imagine that ocean going liners can penetrate as far inland as lake Superior. In the opinion of shipowners, ignorance alone can inspire such contentions. Every undertaking must be based on economic factors and income must bear a favourable ratio to the cost of investment and upkeep; well, a big ship will cost more than a little one, and will also cost more to operate and maintain.

In the present instance, the cost of transportation and distance would be doubled, consequently its rates could not be lower. The passage through the locks would be slow and the loss of time proportionate to the difficulties and risks of this kind of travel which the insurance companies take advantage of; finally this vessel could make but one trip in the season and thereby remain inactive during five months of the year. These ocean vessels will have to be specially built to travel on the lakes, thereby being more costly and necessitating higher fixed charges. Those were the reasons which induced Colonel Symmons to warn the New York State not to undertake such a scheme, knowing that such vessels would not meet their expenses. Was he not right? When their experience with a system of barges turned out badly, what could they expect from ocean vessels, if not disaster, yet this is what is proposed to us.

The scheme of deepening the St. Lawrence is very similar to that of the Erie Canal. It was inspired by the same motives and sentiments. The geographical and climate conditions are the same; it crosses a similar zone; it would carry the same kind of cargoes. Fortunately for us, the experience of New York in this matter is a precious lesson to us, and Colonel Symmons, who condemned the original scheme, has not been contradicted to date. Moreover, we have challenged any expert in navigation to say that it would be possible to obtain a reduction in the rates of shipping on vessels travelling on the great lakes without a cargo and ballast, exposed to the stormy autumn winds—for its slow propulsion exposes it to the winds—and perhaps forced to anchor during many days as it is the case for small tonnage vessels.

We are therefore justified in concluding that from the point of view of navigation our present canal system is fully equal to our

demands for some time to come, that the costly type of vessel demanded by the promoters of the present scheme operating over twice the required route with a consequent doubling of operating expenses paying high insurance rates, crawling along and laid up during five months in the year, is expensive and will never succeed in paying its upkeep, not mentioning that we would also have to grant special rates to the western farmers.

It is our duty to refuse money for such undertakings promoted by speculators whose sole object is to develop power sites for their own private gain. For all these reasons we must come to the inevitable conclusion that from both a business and logical standpoint the deepening of the St. Lawrence waterways is deceptive, costly, and even ruinous for the people of this country, that Canada must not lightly assume any such responsibility; that United States have even less need than Canada of any addition to the existing canal system; that only those who know nothing of the project can expect this seaway to bring about a reduction in freight rates. The main object of this scheme is power, and Canada at the present time has no further need of power development, since we are exporters of power. Quebec exports annually 60,722 h.p. and Ontario 188,175 h.p., which export may cease at our discretion, since it can only be carried on by annual permit.

This is not the case in the neighbouring republic where power is needed for the eastern states. The St. Lawrence waterway is an American scheme promoted by American capitalists organized for the purpose of exploiting our power resources for their own gain; finally, we have every reason to believe that when politics, self-interest, and rivalry come into play, serious misunderstandings might arise, and peace and friendship are worth far more than any such scheme.

We must be considerate of other people's views on various questions, however, on such an important question, I think, that it does not behoove a serious man to contend that there is urgency in putting this scheme into execution in the interest of navigation, when 50 per cent only of our canal capacity is utilized with a yearly decrease in traffic in favour of railways; when everywhere we are witnessing transport facilities developing with the sole aim of sharing our present canal traffic; when we have under our eyes the Erie canal fiasco. We must not lose our head by spreading the rumour that the United States, if we do not make haste, will give birth to such a scheme, no more than we should worry over the election speeches of President Hoover in connection with water powers in the international zone. All what the United States can do is to develop their own powers without interfering with navigation.

It is to say the least, unwise, to pretend that we can play at being equals with one who is stronger than ourselves; this is a lesson we have learned on more than one occasion particularly in the case of the Chicago drainage canal where we became acquainted with our neighbour's appetite. We must not lose sight of the fact that although one state may not be Congress all the states are controlled by the republic, and that when one shares expenses one acquires other rights than that of benevolence.

It is patently dishonest to claim that last year 140,000,000 bushels of our wheat went by way of American ports, because of the depth of our canals. In the first place a certain volume of traffic is forwarded to New York via the Erie canal which has a depth of only 12 feet, while our own are 14 feet deep; but the greater part of this freight is carried by rail at a rate three cents a bushel higher than by way of Montreal. The chief inducement is speed of delivery to Liverpool or other European ports.

At all events, each year, half of our wheat crop finds its way to American ports, while a large volume of American grain passes through Canadian canals, even during years when our canals have but 50 or 75 million bushels to handle. It is therefore not a question of the depth of our canals or elevator congestion.

It is also poor business sense to expect this canal to furnish a market for Maritime coal, when our existing carriers could easily take advantage of such a stage of things, but refuse to do so.

Business is business; such things are settled by the law of supply and demand, and not by any consideration of a sentimental nature. Coal dealers will purchase their coal where prices are lowest. In the scheme of a deep waterway, where the U.S. would have an equal right to navigate, if it was advantageous to the Maritime provinces, it would equally be so to the U.S. Is one serious in putting forth such an argument, when it is well known that the sole aim is the development of 7,500,000 electrical h.p. to be distributed both to Canadians and Americans, thus replacing coal as a motor power. If these promoters were acting in good faith they would cease trying to hide their power development scheme behind a barrage of so-called benefits to navigation; they would talk less about the employment to

be given our Canadian workmen since they know full well that a great part of this work vill be done by machinery, that it will only last a limited time, and that once the thing is completed, since Canada has no need of it, and its advantages will accrue more to the U.S. than to Canada, that new industries will spring up on the other side of the border, and our working population will have less and less employment in Canada.

There is no need of counting on the increase in our population. The project is fallacious, on the face of it.

Competition on the grain markets cannot be adduced as an incentive to the realization of this canal project which will only increase our already-heavy annual burden of fixed charges as I have shown in the course of my remarks; it is an error to believe that an increase in the number of seaports necessarily indicates an increase in the volume of trade.

According to Mr. Thomas Robb, the deepening of the St. Lawrence would lower its level, consequently vessels would have to carry less grain; this is one side of the problem that the promoters have not touched.

At all events, if Canada had any capital to risk for the development of navigation, and of waterpowers, the opinion of Mr. Arthur Surveyer, hydrographic engineer, and the opinion of the Montreal Chamber of Commerce should prevail. Why should not this capital be applied to the development of the Georgian Bay scheme? I fail to see any reason.

Mr. SPEAKER: The hon. gentleman has exhausted the time at his disposal.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, it was my unhappy lot to be unable to follow the remarks of the hon. gentleman (Mr. Deslauriers) who has just taken his seat. No doubt there was much in his speech to merit attention and I would have been glad to follow and to attempt to answer his arguments.

May I refer to some words of the Minister of Finance (Mr. Dunning) which he used during his presentation of the budget:

> All governments make expenditures on capital account and frequently such undertakings are carried out by the use of borrowed capital. With that practice I find no fault, but may I emphasize the fact that in the past seven fiscal years it has been possible to carry out all capital expenditures of the Dominion without borrowing.

The statement of the minister is quite true, but it would have been fairer for the minister to have added that in the first year of this government's operations, eight years ago, it was obliged to borrow a very considerable sum of money, and in so doing added to the funded debt of the country. I do not for one moment criticize the action of the government in that regard, since it was necessary to do so just as it was necessary for the preceding government to take a similar course on account of large expenditures caused by war and demobilization, and reorganization and consolidation of the Canadian National Railways. It is equally true that during the term of the preceding government, with the exception of the fiscal year 1920, in which ordinary capital expenditures were abnormal to the extent of $55,000,000 on account of extraordinary conditions caused through an unusual amount of money being required for the government railways and for government shipbuilding program, the same state of affairs obtained as that about which the finance minister now boasts. In those years the surpluses in consolidated fund compared more than favourably with those acquired by the government now in power. In each of the six years of the Union government the average surplus was $67,000,000 as compared with an average of $65,000,000 during the first six years in which this government has held office. It is true that surpluses of the last two years have changed the average somewhat in favour of the present government. An analysis however of surpluses during the whole eight years of their term will show that they averaged the amount of $67,000,000 annually, which is similar to the figure shown for the Union government. In addition we must remember that the present government has had a very substantial advantage because of the fact that special receipts to the amount of $45,436,000 have been placed in the treasury as compared with $2,224,800 during the term of the preceding government. The figure which obtained during the regime of the Union government was $2,224,800, while during the regime of the present government the special receipts have totalled $45,436,000.

Some credit has been taken by the government for the fact that $80,000,000 was retired last year; it was inferred by members opposite that that amount of money had been retired from the current surplus of the government. Of course that statement is not true. Part of it was retired from that source but the great bulk of it was retired from the money in the hands of the government at the commencement of this year. Members of the government, and particularly the Prime Minister, are fond of commenting on the great additions to the net debt incurred by the government which preceded the present one claiming that this

was caused by the method of financing of that government. They make this claim in order to show that when they assumed office they were faced with financial difficulties. Such a statement has always appeared to me to be grossly unfair. Additions to the net debt during the six years of the preceding government were caused purely and simply by the necessity of providing money for purposes of war and demobilization and for the development of the national railways throughout the period of acquisition and consolidation. Under these headings the expenditures were:

| | Union government | Present government |
|---|---|---|
| War demobilization. | $1,461,999,000 | $ 7,711,000 |
| Advances to railways.. .. .. .. | 209,672,000 | 131,509,000 |

In addition to that, in 1920 the preceding government took the bold step of including in the net debt of this country some $284,000,000 which was transferred to non-active assets and thereby increased the national debt. These non-active assets, previously being active assets, had formerly operated in the reduction of the net debt. Advances to government railways, of course, always had been carried as non-active assets. It will be seen, therefore, that the preceding government incurred capital expenditures which ordinarily might have been added to the debt of this country, to the following extent:

| | |
|---|---|
| War demobilization.. .. .. .. | $1,461,999,804 |
| Railways.. .. .. .. .. .. .. | 209,671,940 |
| Advances to railways transferred to non-active assets.. | 284,015,005 |
| | $1,955,686,749 |

As against that vast amount of money, the net debt of the country increased by only $1,806,979,630. Thus there was a difference of $148,707,119 by which in effect the preceding government reduced out of current revenue the debt, which otherwise might have been added to the debt of the country.

In the present budget the Minister of Finance takes credit for the fact that this government has carried through all capital expenditures and railway advances out of the ordinary revenue of the government. The fact upon which I want to lay emphasis—and it is a fact—is that this government in that regard has not done so well as the preceding Union government, despite all the disadvantages under which that government laboured. When we consider that in addition to ordinary revenue the present government has had the advantage of some $43,000,000 in special receipts more than the preceding government had, it will be readily seen that the Union government was able to achieve more towards the reduction of the net debt of the country during its six years of office than the present government has been able to do in the eight years it has been in power.

The only refuge left to the Prime Minister in this matter is the statement that the railway expenditures of the preceding government should not be credited, and his reason for making this statement is that these were advances to a railway which was not a going concern and was not paying its way. His statement is that advances which have been made by this government have been advances to a going concern which is paying its way. This is not a fair answer, because it is well known that advances such as those made during the process of reorganization are strictly capital account. The position is somewhat analogous to that occupied by a firm constructing a building; interest on the moneys expended on construction properly take their place in capital account. Moreover, in spite of what the Prime Minister has said, the present government has followed exactly the same course, for in 1923 it charged $77,863,938.23 and in 1924 $23,710,616.70 as advances to the Canadian National Railways, which advances were not made to a railway which was a going concern and paying its way, because in those two years the Canadian National Railways were not doing anything of the kind. In addition, whatever may be the merits or demerits of the system of accounting in force in this country, this government has guaranteed the payment of vast sums which have been borrowed by the Canadian National Railways. These may not be a direct liability, but certainly they are a secondary liability, and these latter amounts must be considered as something of an addition to the debt of the country.

My object in putting these figures on Hansard, Mr. Speaker, is to show that the claims of the Prime Minister and the Minister of Finance are absolutely unfounded in this regard and that the financial record of this government not only is not better than the financial record of the government which preceded it, but is worse by many millions of dollars in the net result.

A surplus always has been a matter of importance to the present government; it has loomed large in its calculations and has been used invariably as an asset in its appeal to the country. For many years there has been a surplus, that is, an amount of money which is available for the reduction of the debt of the country. In connection with one article

alone, tea, this government in the last five or six years has taken probably $15,000,000 in taxes directly from the pockets of people of all classes in this country.

That amount of money never has been required to form a surplus or to make ends meet. The tax was put on first as a war measure, not as a protective measure in any sense of the word, and it was only because of the desire of the government to show a handsome surplus at the end of its fiscal year that it did not long ago remove that tax. I say that during the past five years at least the government, with no justification whatever, has taken from the pockets of the people, through a tax perhaps more evenly distributed than any other, this large amount of money which it might very well have foresworn years ago. If anything were required to indicate that this budget is purely for election purposes it is the fact that on the eve of an election the government has seen fit at last to remedy that injustice and to remit to the people that tax which long ago they should have been forgiven.

Speaking generally of the budget, it is quite plain that it is not founded on conviction or principle, but that the basis of the whole concoction is simply this: "How can we so build up this budget as to attract votes in the impending election?" The presentation of the budget was deferred until much later in the session than usually is the case, and it did not take final form until an election had been decided upon. It is quite obvious, of course, that the government must have known that it is in growing disfavour with the people of this country, because of its futility and its indecision in tariff matters, and also because there has been spreading a very well defined feeling and conviction on the part of the people that the government has been far too sensitive to the moods and views of the people of the United States. On the whole, things were going very badly for the government, and it was decided to make of the budget if possible such a gesture as would disarm the criticism which had arisen in many quarters. Further delay undoubtedly was caused by the efforts which were necessary to overcome the reluctance of certain members of the government to stultify themselves and their followers as needs they must in supporting such a budget. However, he that will use all winds must shift his sail, and in the end the thing was accomplished.

Now I fear that the government finds that it has been just a little too clever and has overreached itself, and that the people of this country, whom it hoped to hoodwink, continue to see. They have examined the budget; they have examined the proposals and the claims made in regard to them and they have become fully aware of the weaknesses of the structure. They recognize the inconsistency of those who propose these measures and, in the words of the amendment, have lost confidence in the government and recognize from its past course and its present action that it is not to be entrusted with the direction of the fiscal policy of this country. The people of Canada want straight dealings and definite policies; they do not approve of mere smartness and supposedly clever political manoeuvres in the conduct of their business. The very best day the government had in regard to this budget was the day it was printed in the newspapers. Since then, every day and in every way the budget has continued to lose favour with the people. For instance, it was thought by the framers of the budget that the headlines which would naturally follow the declaration that 270 items had been added to the free list under the British preference would be of some advantage in a campaign. On the day of publication it may have had some effect, but from day to day it lost its appeal. It could not stand the test of examination; for instance it was found that of those 270 items the majority affect commodities in which there either never has been any trade with England, and is not at present any trade, or in which no one expects that there will be any trade. The prospects of increased trade are so vague and flimsy that no one in his senses will expect any benefits to be derived therefrom. It may be considered quite proper to put in the British preference such articles as hay and natural gas, but it is idiotic of the government to think that the people of this country are so unintelligent as to be deceived by claptrap of that kind.

As was stated by the Minister of Finance, protection is being given to the iron and steel industry because it is necessary to maintain an efficient and self-contained iron and steel industry in the Dominion of Canada; in the view of the government that could be done only by the imposition of a protective tariff. I would ask members of the government to consider what they have said in days gone by, to consider how they controverted this idea from beginning to end, to remember how they derided it; attempted to tear it to tatters, made fun of it and abused it in every possible way. It is not so long since we heard the boast made by a member of the government that the Liberal budget was ringing out the death knell of protection. If I read this budget rightly, it would seem to be ringing out a peal of welcome. The government conversion

has been thorough and sudden and compared to it I should say that the incident of Saul of Tarsus was of the slow motion variety. If there is a national necessity to maintain a self-contained and efficient iron and steel industry in this country, is there not equally a national necessity to maintain a proper, efficient and self-contained textile industry?

Mr. CHAPLIN: And a furniture industry.

Mr. GEARY: Is there not a national necessity to maintain a self-contained copper industry, as well as to maintain many other kinds of industry? Does it not follow that in the view of the government the only way in which these industries can be maintained in an efficient and self-contained manner is by the application of the doctrine of protection? Why does not the government follow this new faith to the logical conclusion? We have heard the hon. member for South Waterloo (Mr. Edwards), give us a very able exposition of the state of the textile industry in this country showing the need for protection. We have heard the excellent speech delivered by the hon. member for Last Mountain (Mr. Fansher). With much of that speech I am unable to agree, but the hon. member gave many reasons for the support of the proposition that the government had in a back-handed way done that which it was afraid openly to do—increased the protection to the cotton industry. All this shows the inconsistency of the course of the government in dealing with matters of tariff.

When the question is asked: Why does not the government follow its new faith to the logical conclusion, there is only one answer, an obvious one: the government has no principle or conviction in the matter; its whole course is decided by the desire to obtain votes. The government asked itself the question: How can we frame a budget which will bring us votes?

It has been said both by one of the hon. members for Winnipeg and by the Minister of Justice (Mr. Lapointe), that this is a budget which will appeal to different sections of the country. I always understood that this administration was following the plan of saying something special and different in each part of the country, and an hon. member opposite is reported in Hansard as saying that it has sought to inquire into the needs of the various sections of Canada and to meet those needs by the proper remedies. How on earth are we going to meet the needs of the western provinces by the application of duties which will affect an industry in Nova Scotia? We are all agreed that the application of a tariff does not affect only the industry which receives the benefit therefrom, but it affects everyone either directly or indirectly.

The government has heretofore fought the claims of the producers of fruit and vegetables. For some time it acceded to the demands made by my hon. friends opposite, who wanted every semblance of protection to be taken away from fruit and vegetables. At their behest the government abolished or cancelled the order in council which gave seasonal protection to the growers of fruits and vegetables. That was a glorious victory for my hon. friend whom I see smiling across the way. On that day the sun shone bright in Weyburn, soft, balmy airs caressed the fevered brow of the worthy representative of that district (Mr. Young). All was lovely. Then from the blue sky came the thunderbolt of duties, a tariff was put on fruit and vegetables. Luck was not with my hon. friend that day.

Mr. CHAPLIN: They have four tariffs now instead of three.

Mr. SPENCE: He will swallow that.

Mr. GEARY: The hon. member found that not only had the government done a right about face on the proposition, but it had gone mad or crazy in its application. It had clamped on a duty which was unnecessary from the standpoint of the producer, and the prices of vegetables rose over night. The government did not restrict the entry of vegetables which might compete with the producers of British Columbia or of other sections of the country, but it restricted the import of fresh fruits and vegetables during that portion of the year in which we do not produce.

Mr. SHORT: Still the hon. member will vote for the budget.

Mr. GEARY: I am not so sure about that. Listen to what the hon. member for Swift Current (Mr. Bothwell) said last year, as reported on page 943 of Hansard:

> I submit it would be a crime to compel him —the farmer—to pay more than he now does for the fruit he wishes to purchase for the benefit of his family.

Hear the pearls of wisdom which fell from the lips of the hon. member for Weyburn (Mr. Young), as reported on page 1208 of Hansard of last year.

> All this talk about the importation of fruit and vegetables breaking the home market and ruining our own producers is arrant nonsense.

He also declared in effect that it was infamous to put duties on these particular articles, and still he sits there smiling.

Mr. SHORT: And he is satisfied with this budget.

Mr. GEARY: Perhaps he is not so comfortable, because I do not think he has finally dissuaded himself from the course he followed. He is undecided if he will pursue the course which his conscience tells him to.

An hon. MEMBER: Let his conscience be his guide.

Mr. YOUNG (Weyburn): I do not intend to take any guidance from the other side of the house.

Mr. GEARY: Hear also what the hon. member for West Elgin (Mr. Hepburn) said of a kindred matter:

> —but if we place a tariff on this butter, one of two things will happen: we shall have to divert milk from those high priced markets to other sources or the people of Canada will have to go back to conditions which prevailed when our Conservative friends were in power, when they had to eat oleomargarine, a mixture of intestinal fats and southern oils imported largely from the United States.

And now my hon. friend will be forced to say that the blow came from his own friends. A duty is placed on New Zealand butter and properly too.

Taking the two groups alone: iron and steel, fruit and vegetables, I would ask: Does the action of the government commend itself to my friends from the prairie provinces? What think ye of it, ye men of the golden west? Have you any longer confidence in the professions, declarations or promises of a government which has shown itself so susceptible to the exigencies of political profit? If the hon. member for Lisgar (Mr. Brown) were in his seat, I would ask him: Has the great apostasy been accomplished and has he in turn become an apostle of the new faith? It will be interesting to watch these hon. gentlemen vote. I should like to know where are the Minister of Finance (Mr. Dunning), the Minister of Railways (Mr. Crerar), the Minister of Agriculture (Mr. Motherwell) and the Minister of the Interior (Mr. Stewart). These were the four horsemen of the free trade apocalypse. They were found in the van of the struggle and rallying to their flag were such men as the hon. member for Maple Creek (Mr. Bock). Where are they to-day? They have relegated themselves to that inconspicuous and ignoble position in the rear which is generally occupied by those known as camp followers.

With Liberalism betrayed, are the Liberals now to accept as the price of their adherence to the present government the hopes and expectations to be gathered from a wholly illusory increase in the British preference? Those proposals have, I think, been sufficiently analyzed and I do not know that I can take them up any further with advantage to the house. I did go through at some pains to myself, for I am not good at that sort of thing, the first two pages of the new tariff and in practically every case I found Great Britain was unable to compete to any extent with importations from other countries. Great Britain had, for instance, a 7½ per cent differential on ploughs or drills, I do not remember which it was, and they could ship to Canada only $267 worth as opposed to $1,000,000 worth shipped to us by the United States. In another case, pumps, with a differential of 10 per cent they could not make any headway at all, obtaining trade to the extent of $247 out of a total of $1,783,497. That differential has been increased in some cases, but does anyone suppose, when with a 7½ per cent or 10 per cent differential they could do no business, they could do any large trade with increases in the differential which are here proposed?

Let me refer to an article of table use like crockery and china. The object of the budget, as I understood the claims made, is to divert trade from what my friends across the floor insist upon calling the natural course of north and south, although I entirely disagree with them in that contention, and to make it flow east and west. The government found that the former avenue of trade was blocked by the actions of the United States and it decided to take certain trade away from the United States and give it to Great Britain. The only article in the lot where there seems to me to be any definite preponderance of trade with the mother country is that of crockery and chinaware. We have no industry worth speaking of, so I am informed, manufacturing these articles, and we export nothing. We import something like $2,500,000 worth from Great Britain; we import $91,000 worth from the United States and still, apparently, by this budget we are trying to take trade away from the United States and give it to Great Britain. If any trade is diverted, it will be from countries like Czechoslovakia and France with which we have by treaty solemnly agreed to trade.

It would not, as I say, be of any advantage to go again into a discussion of these items, but may I say just one other word following my examination of the first two or three pages, that the only article in which British preference countries have any trade at all—

and it was a very considerable trade—is butter. On the first three pages that is the only article on which they have not increased the British preference to give Great Britain more trade, but they have raised the duty and lessened the preference in order to shut off the trade in this article from the British dominions. The policy of the government was supposed to be to encourage trade with the British dominions, but they certainly did not believe in increasing this particular duty the night before they presented this budget. These illusory hopes and expectations of increased British import trade are what the western provinces have been given for the betrayal of their interests and as the price of their adherence to the government. These hopes and expectations are "such stuff as dreams are made on," and I have not the slightest doubt they will come to nothing. To adopt in part the same quotation, these hopes, expectations and promises of a future benefit, like the baseless fabric of this vision, shall dissolve and leave not a rack behind.

The Minister of Finance himself thinks very little of the British preference. By very plain inference and implication he says so when he warns the British people in his budget speech, lest he be trapped later by the discovery of how little it means; that they cannot do any trade with us even under these increased preferences unless they revise their methods of marketing and selling. For a small amount of trade that is potential or even for the larger amount that these visionaries think will eventuate, the British merchant has to remodel his whole selling system; he has to make a long study covering a period of years of the markets of this country, revise his whole packaging, shipping and selling system and all for what nobody by the closest and most optimistic scrutiny of the budget can declare in dollars to be of any substantial advantage.

It is not so long ago since we heard hon. members opposite talking of what a heinous offence it would be for this country to retaliate against the United States. I suppose a rose by any other name will smell as sweet, and perhaps retaliation will, when you call it countervailing, Countervailing is nothing but setting up against, and if setting up against is not retaliation, I do not know what retaliation is. Very properly, from their point of view, hon. members opposite inveighed against this principle during last session and this sesion. We have heard the Minister of Justice (Mr. Lapointe) refer to it. As reported on page 1338 of Hansard, 1929, he said:

> Talk of red blood! Is it a manifestation of red blood to shape our tariff policies on the policies of foreign countries by imitation or in any other manner?

Yet the Minister of Justice sat in conclave with the other members of the government when they foreswore their convictions and principles in this regard and made up a vote-catching budget that reflected nothing whatever of sincerity in its makeup. The question is: Have we or have we not confidence in the methods and practice of policy of the government? Unhesitatingly I say the answer of the country to that will be: No, we have not confidence. How can the house, how can the country, profess confidence in a government whose whole history has been a denial of consistency, whose course in fiscal policy has been one of devious ways, whose lack of conviction and of principle is painfully apparent, who stand ready at all times to sink their faith, if any they have, in the sea of expediency.

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I rise on this occasion with some hesitation to speak on the budget and the two amendments that are before the house. It would be quite impossible for me, in view of what has happened during the past ten days, to say that I have any very definite opinion upon the details of the budget. I must confess some admiration for those people throughout the length and breadth of Canada and some in the old land who were able to tell us within twenty-four hours of the presentation of the budget just what it meant. However, I have come to some conclusions with regard to the budget, and these I shall present to the house in the time at my disposal.

Before proceeding to comment on the budget itself, I wish to make a few comments on another question which is really of greater importance than the budget itself, judging by the effect which it has had on the house, and that is as to the conditions under which the government asks us to pass judgment on the budget and the rest of the business that we have to do this session. I refer, of course, to the announcement of the Prime Minister (Mr. Mackenzie King) that there is to be an election, and his invitation to the leader of the opposition (Mr. Bennett) and the hon. member for Acadia (Mr. Gardiner) to meet him to ascertain if it would not be possible to speed up and hastily get rid of the rest of the business that is before the house. The date of the Imperial economic conference was set some time last autumn, according to the speech from the throne, from which I quote:

> In the summer of last year, an invitation was extended by His Majesty's government in Canada to all His Majesty's other governments to participate in an imperial economic conference in Canada at the earliest possible date. It was found that the convenience of the

majority of the governments could best be met by an arrangement to hold the Imperial economic conference along with the Imperial conference in London in the early autumn of the present year. This has accordingly been arranged.

I maintain that in view of the fact that it was known last autumn that the Imperial economic conference was to be held this autumn it was utterly ridiculous to delay calling this house to meet until the 20th of February, to sit until the 11th of April and then adjourn until the 28th of April, present the budget, a very contentious budget, of course, containing a number of changes, meaningful or meaningless, on the 1st of May, and then to say six days after: It is time to have an election, and we had better arrange to get through the business of the session in an orderly, but in any case a hasty, manner. I do not know what the other members of this house think, but I am just giving it as my opinion that no member has any right to accept his $4,000 indemnity if he agrees to the suggestion as it was made by the Prime Minister, as I understand it. It seems to me that ordinary commonsense would have dictated to the Prime Minister, if there was even a suspicion in his mind that it was necessary to go to the country this year, that the opening of the session should not have been delayed beyond the first or second week in January at the latest. If a farmer anywhere in Canada conducted his business with as little regard for times, events and seasons he would be in the sheriff's hands inside of twelve months. The management or mismanagement of this matter must rest with the Prime Minister, and to me it looks at present like a very bad case of mismanagement. In Hansard of May 6, 1930, the Prime Minister is reported as follows at page 1835:

> Under the circumstances, I would suggest to my hon. friend the leader of the opposition that he and I meet together as soon as may be convenient to him to see if we cannot come to some agreement whereby the business of this present session can be brought to an orderly and speedy conclusion. It would be my wish to meet as well with my friend the hon. member for Acadia (Mr. Gardiner) and discuss with him the matters which he would wish to have considered for the group which he leads and for those who sit about him.

Then he goes on to tell of the business of parliament. What is the situation? I do not think that we have voted one-third or even one-quarter of the estimates. I think we have gone into only two departments, and I do not believe the estimates of one department have been entirely voted yet. Then we have the budget before us. According to the Minister of Finance (Mr. Dunning), it makes very extensive changes which surely merit careful analysis. Here we have the statement of the finance minister regarding the iron and steel schedules:

> The iron and steel schedule is now an entity, compact and orderly, consisting of a single group of three hundred and twenty-five items. I have not attempted to refer in detail to all individual commodities affected, but only those of greatest interest. Details of each item will, of course, be dealt with in committee of ways and means.
>
> Summarizing numerically I may say that under the iron and steel schedule general tariff rates have been reduced on sixty-six items and increased on forty.
>
> Under the intermediate tariff, the reductions number eighty-six, and the increases twenty-four.
>
> Under the British preferential tariff, the rates have been increased in eight cases and reduced, or made free, in one hundred and fifty-two.

They number something like 350 changes. In the budget of 1928, about 124 tariff items were struck out and 170 inserted; 4 new drawback items were added. In the budget of 1929, 17 items were struck out, 33 new items inserted, 12 drawback items struck out and 2 new ones inserted, and the sessions of 1928 and 1929 ran from four to five months. Here is a contentious budget, much more contentious I think than the budgets of 1928 or 1929, and after sitting less than three months we are asked apparently to get through with the whole thing in a hurry in order that we may have an election. Whether or not there should be an election this year is a matter that the government has decided, but I submit that in view of the fact that the session of 1929 closed some time in June, and the government having a mandate until November, 1931, it was an absolutely ridiculous proposition for the Prime Minister, after letting six weeks of the new year go by without calling the house after agreeing to two weeks' adjournment at Easter, after we had been sitting for less than three months to come to the house and say: Let us get through with this budget and the rest of the legislation before parliament, including the large volume of estimates that have not yet been touched, in as short a time as possible so that we can go to the country and hold an election before the economic conference. That is, having regard to the time the last session ended, and having proper regard to the work of the Imperial economic conference, here is seven months' business that we have utterly failed properly to arrange time for. The Prime Minister calls for orderly consideration of the business before us after making an announcement that is just about as conducive to orderly conduct of the business of the house as a nest of hornets would be to a man driving a string of mules.

Mr. RYCKMAN: That is what he is driving.

Mr. KENNEDY: I did not mean it in that way.

Mr. CHAPLIN: It is very appropriate anyway.

Mr. KENNEDY: Then, of course, we have the question of the staff of the House of Commons. A large number of the staff engaged around the House of Commons are paid by the day, and it is utterly unfair to them to close the session so abruptly. We have heard a great deal about the government being a model employer of labour. I do not think there is anything to indicate that the salaries of the temporary staff around the House of Commons are at all out of line with what they might be earning if they were engaged the year round. Here is another case where the announcement of the Prime Minister apparently has overlooked their interests and considered the one thing only, political expediency. During the last two or three years we have heard a good deal about an increase in the sessional indemnity; it has been discussed quietly around the house and in the country. I believe if the farmer members of the house could get home every year for seeding—and it would not be an impossibility—they would be better off with a decreased indemnity than with the present indemnity and sessions ending in June. But this year, if we have an indecisive election on top of this hurried session, it will be necessary to hold a session between the election and the Imperial conference, and so far as the western farmer members are concerned, regardless of what group they belong to, they will be subject to the very great inconvenience of coming to Ottawa during the harvest season; and certainly, if you take a farmer member away from his farm in seed time and harvest, his sessional indemnity is far from being adequate. But the whole trouble is due to the utter mismanagement by the Prime Minister and the government with regard to the date of calling parliament together and the introduction of the budget so late in the session. This system under which one man at the head of a party can spring an election on the country at any time it suits him is altogether wrong and out of date.

Another matter I wish to comment on, Mr. Speaker, is the practice of going to the country every four years. The statute provides that there must be an election every five years. But that statutory provision is of absolutely no value, either to parliament or to the government, so far as I can see; it only provides opportunity for the sort of juggling that we have had during the past few months. If the practice of going to the country every four years is continued, why not so provide in the statute? If the present practice is not to be continued, why not observe the statutory provision and go to the country every five years? At least once we had the matter on a definite basis the government would not be able to excuse themselves for such a mess as we are in at the present time with regard to the business of the session. I was very glad to hear the leader of the opposition although he appealed on two occasions for an election, state on the floor of this house that so far as the budget was concerned he would not agree to passing it without making a careful scrutiny and without being supplied with full information in regard to all the items. As members of parliament I do not think we have any right to hurry through the business of the country on account of the pending Imperial conference or any other matter. In this regard I think we might say that things should be done decently and in order, especially when there was ample opportunity to make proper arrangements ahead of time. It seems to me that the Prime Minister with his various veiled announcements regarding the possibility of an election is mainly responsible for the feeling of uncertainty respecting an election which, last week, he said existed throughout the country. In the course of the debate on the address in reply to the speech from the throne we had his announcement that there might be an election. Then of course everybody began to speculate. But even at that time if the government had had a definite policy regarding an appeal to the country, and had stated their intention, I think no one would have complained much against them in taking that position, and I think they would have been justified in doing so. But it seems to me that party exigency has been the ruling motive, and that the welfare of the country has been sacrificed for the sake of the Liberal party. I do not know whether this course of action is going to do the party any good; I think it will be the reverse.

Now, coming directly to the budget itself, I suppose it is correct to say that it is a protectionist budget. I think anyone who has followed the discussions before the tariff board must come to the conclusion that the steel interests appealed to the board for such a tariff as would effectively protect them from United States competition. In the course of his budget speech, at page 1625 of Hansard, the minister said:

The labours of the Tariff Advisory Board could not have been successful, however, had it not received the active cooperation of all branches of the industry itself. Scores of manufacturers have given ungrudgingly their personal time and services of their technical officers; importers and jobbers have placed at the disposal of the board their staffs, warehouses and books; laboratory and research experts have been detailed to assist the board's own investigators; and no fewer than two hundred different firms, associations and interests participated actively in the weeks of open hearings at which information was being placed on record for parliament and the public.

Various government departments—notably those of National Revenue, Mines and the Bureau of Statistics—rendered valuable assistance.

No mention at all of the consumers' league! But undoubtedly that was the reason why the steel industry appeared before the tariff board—to get protection. It seems to me that in this budget we have a direct effort to protect the iron and steel industry. I noticed that one of the statements made before the Tariff Advisory Board during the presentation of the steel case by the late Mr. Norman Guthrie was to the effect that notwithstanding that at that time there was a high duty on steel rails coming into Canada the price here was not any higher than in the United States. Now, if the duties on iron and steel as applied in this budget will result in protecting the home market for the industry without increasing the price of cutting the quality, I do not think there will be any objection. But, frankly, the Liberals have adopted a protectionist policy towards the iron and steel industry, and they have done the same thing with regard to agriculture.

When we were discussing the Australian treaty some members in this corner of the house were accused of being "apostates" because they asked for the repeal of that treaty. I do not know whether the member for Lisgar (Mr. Brown) applied the word in all its original meaning, but some people believe that the repeal of the Australian treaty would be a reversion to free trade on some things, while others think that it would mean protection for the dairy interests. We hear a great deal about the "western farmer." I do not know who he is, but I know a number of western farmers, and some of them are straight protectionists, especially when it comes to the dairy business. They have asked for protection and they have received it in this budget.

Having regard to the revision of the iron and steel schedule, I do not believe that the tariff on agricultural products has any real significance, as I hope to show when I analyse some of the figures later on. But now that we have the two major parties in the house supporting protection, I have not any objection to their giving the farmer a little protection—in fact all they can give him. But I think there is another way the farmer can be helped to better advantage, and if I have the time I propose to tell the house how that may be done.

The budget seems an effort on the part of the government to be all things to all men, but, as I understand it, it is mainly protectionist. I may say that I do not share the horror expressed by some eastern and western members with regard to helping the farmer by protection, so long as we realize to what extent it does help him. It has been said that if the farmers accepted the meagre assistance given to them by this method it would be equivalent to their throwing away the only weapon they have against high tariffs. But if in days gone by the farmers had a weapon of this kind, so far as they are concerned this budget means complete disarmament. It does not look hopeful for low tariff in these days, unless it is the case of the darkest hour being just before the dawn. In view of the present position of the Liberal party, which has said so much about lower tariff, I do not think there is any great objection to giving the farmer the temporary assistance he might receive by increasing the tariff on butter to 4 cents. If the member for Lisgar (Mr. Brown) and the member for Weyburn (Mr. Young) have any objection to the farmer getting a little assistance when two parties in this house apply the policy generally, I cannot quite understand the position of those hon. gentlemen. I am reminded of the passage in the scriptures which says:

Thou shalt not muzzle the ox when he treadeth out the corn.

Having made that statement I wish to examine in some detail the question as to the value to the iron and steel industry of these increases in protection. I have before me the iron and steel statistics of Canada for the year 1928. It is somewhat difficult to get the final figures for 1929 in items relating to both steel and agriculture, so I shall confine my figures to those given for the years 1927 and 1928. I find that the imports of iron and steel products into Canada during 1928 were valued at $322,959,144 as compared with $248,151,554 in 1927. Over 91 per cent, or $295,114,281 worth, of the imports in this class came from the United States, and about 5 per cent, or $17,762,561 worth, came from the United Kingdom. I fear that the position of the Minister of Finance when he seemed to imply that the reduction in the British prefer-

ence would offset the increases of duties against the United States, cannot be taken at its face value. It may be that business can be developed with Great Britain, but as to that fact I am doubtful. The total output of 1,159 iron and steel plants in Canada in 1928 was $609,632,999. But the annually created wealth resulting from those activities, deducting the cost of the raw materials from the selling value of all iron and steel products at the works, amounted to more than $300,000,000; that is, the net result of the iron and steel industry in Canada for the year was just about the same amount as the total value of imports of iron and steel products. Protection on a basis of that character is worth a great deal.

There is not however the same value to agriculture in the budget proposals. Nor is there in the countervailing brick for brick tariffs as we have for the steel industry in the new steel schedules. In Canada the estimated gross annual agricultural revenue in 1928 for farm animals was $197,880,000. The imports into Canada of animals living was $3,165,941, or a total of about $3,000,000 against about $200,000,000. Approximately 90 per cent of the total amount imported was from the United States. The exports to the United States were valued at $17,000,000 as against $3,000,000 of imports. To the United States the exports were $16,648,945. So that we have exports totalling about $14,000,000 more than the imports from the United States. A tariff to help agriculture, therefore, with regard to the price of living animals cannot be of much value to the Canadian farmer. It is hardly the same story in regard to chilled or frozen meats, but it is about the same. My claim is that although there is an attempt made in this budget to show Canadian farmers that they are getting protection just the same as the iron and steel industry, the cases are not at all parallel. Agriculture in any case cannot take advantage of a tariff the same as the iron and steel industry can, because it is not so well organized. There was only one case on record where the Canadian farmer had a chance to exploit the Canadian consumer and that was when the wheat board was instituted. By order in council the wheat board was specifically prevented from taking advantage of the Canadian consumer. They had to sell to the consumers of Canada on the same basis as the price at which they were selling abroad, less freight rates and less the cost of putting the produce on the markets of the world. My submission is that under this budget whatever may be said the farmer is not getting anything except a mere taste of protection. There is nothing in the budget which will ultimately result in a definite contribution to the building up of agriculture in the Dominion of Canada. That is the result of my analysis of the situation.

I have figures before me to show the relation between agriculture and the manufacturing industries of Canada. The manufacturing industries have definitely flourished under the policy of protection. The estimated gross annual agricultural revenue of Canada for 1923 was $1,397,085,000; in 1924, $1,494,771,000; in 1925, $1,666,100,000; in 1926, $1,683,526,000 and in 1927, $1,783,160,000. The capital invested runs from $6,023,325,000 in 1923 up to $6,227,021,000 in 1927. In 1927 it took $3.49 of capital to produce $1 of agricultural revenue; in 1926, $3.63; in 1925, $3.67; in 1924, $4.05 and in 1923, $4.31. I do not know that I shall be able to produce the figures in this regard in connection with manufacturing; I think it takes about half as much capital to earn a dollar.

We come now to wages and salaries in connection with manufacturing and agriculture. I have before me the information that in 1927 the wages and board for male farm help throughout Canada was $685 a year; for female help it was $467. In connection with manufacturing I have some figures before me, and I find that the wages for 1927 were just about what they had been previously for a number of years throughout the whole of Canada. Alberta and British Columbia stood at the top of the list, those two provinces being higher than the other provinces. In 1923 the average of salaries and wages in manufacturing plants was $1,087; in 1924, $1,101; in 1925, $1,095; in 1926, $1,124, and in 1927, $1,121. I put these figures on Hansard, Mr. Speaker, to show that manufacturing has been flourishing under this policy but that agriculture has not been doing well, and there is nothing in this budget which will adequately meet the situation through protection and make agriculture the equal of other industries in Canada. I submit that we must find some other way of dealing with agriculture in Canada in order to put it on a par with other industries, because the farmers throughout this country are not willing to accept a lower standard of living than others. Unless some method can be found of dealing with that question more adequately than any tariff can deal with it, we will find just as great a protest in years to come as we have experienced in years gone by against protection, even to the manufacturers.

I may say, as far as the Conservative position is concerned, that if they will protect the consumers by preventing the exploitation of the Canadian people through increased

prices, while protecting the market for the manufacturers, it will be the best compromise that has been before the Canadian people for years, so far as either of the two parties is concerned, and is much ahead of anything proposed in this budget. I submit, however, that agriculture cannot be dealt with properly by a protective tariff, because if you make the dairy industry prosperous you will get a tremendous change in western Canada from wheat growing to dairying, and you will slump the markets in eastern Canada in dairy products, poultry or any of the other side lines, as the case may be.

What can we do? Only one method has been found, so far as I know, for putting agriculture on a stable basis, and that is the method of cooperation. I had intended to read some extracts from a volume entitled Agricultural Cooperation in Denmark, as well as some extracts from this volume dealing with farm relief in the United States, but I have not time. It may be said that as between Denmark and Canada conditions are not comparable, since here we are developing a new country which lends itself to individualism and which makes it hard to apply cooperation; but we are following the cooperative principle now with regard to wheat, and in the not far distant future, with some help from this federal government, we hope to do it with regard to live stock products. However, conditions are absolutely comparable as between Great Britain and Denmark, and we know that whereas agricultural conditions in Great Britain are as acute practically all the time as we have had them in Canada during the years 1922-23-24, just across the sea in Denmark the rural population have passed from extreme poverty and practical ruin to a position of independence. They dominate the British market with regard to bacon, and they cater to the demand in Great Britain for other farm products. If the government of the Dominion of Canada is to do anything for agriculture at all comparable to what has been done for industry generally in my judgment the only way to proceed is to get behind cooperation and try to put agriculture in this country on as efficient and comprehensive a cooperation basis as the farmers have been placed in Denmark. It is a difficult problem; possibly it is a different problem from that which faced the farmers of that country, but it is the most hopeful suggestion we have so far as agriculture in this Domiinon is concerned.

I do not know that at the moment I am prepared to say definitely just what the government should do as the first step, or what any government could do. In the United States they are experimenting with the national farm board and trying also to do something in the line of controlling production in relation to the available market. I do not know whether or not we will have to do these things in Canada, but I do say that cooperation is the only possible hope for the farmers of this country, and our experience in Canada has been such that I think we should be greatly encouraged. A great many people are complaining because of the action of the wheat pool and blaming present conditions on that organization. Most of these people do not know what they are talking about, but I do say that if we should have the same slump in grain prices due tc world conditions that we have had during the last year, without the pool you would not find the same confidence or the same contentment among the western farmers that you will find now. They own the cooperative organization which is marketing 50 per cent of the grain grown in western Canada, and they have confidence that their organization is doing the best it can with world conditions as they are to-day. That is one reason why conditions in this coùntry are not very much worse than they are, and that is why we have not heard expressions of discontent in this house much greater than have been heard since we have had a Dominion parliament.

So I offer that as a suggestion to this or any government which may be in power. If we can control prices and control the Canadian market for our manufacturers, at the same time getting behind agriculture and putting it on a sound cooperative basis, we will be following a definite constructive program which will work for the benefit of this whole Dominion of Canada.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, I wish to devote my attention more particularly to the subamendment now before the house. I agree with that part of the subamendment moved by the hon. member for Last Mountain (Mr. Fansher) which states that it is to be regretted that more effective consideration has not been given to the position of agriculture and labour, but I cannot agree with the latter part of the subamendment which states that the best interests of Canada would be served by a substantial increase in the British preference, particularly with reference to textiles.

You may examine these tariff proposals with a microscope, but I suggest that it will be impossible to find therein any provision whatever which will give one day's additional employment to any workman in the province

of Quebec or which will promote the prosperity of that province to the extent of a single dollar, if you will except the provision with respect to the repeal in October next of the order in council giving free entry to New Zealand butter, which step has been so long demanded by the Conservative party. I will show later, if I have time, that the proposed countervailing duties against vegetables and fruits from the United States should have been a seasonal tariff. Under this new tariff the difficulties which have been faced for years by the thousands of market gardeners on the island of Montreal through competition with the United States will be increased a hundredfold by the free admission of fruits and vegetables from the West Indies. There fruits and vegetables are produced by native labourers who live in houses which require no coal for their heating; whose clothing consists of leather or canvas sandals and cotton garments which cost no more than ordinary overalls, and who live largely on the native products of the country. These native labourers receive about one-fourth the wage of the ordinary agricultural labourer on the island of Montreal, and the products of that labour, which will be admitted free in quantities of hundreds of tons as soon as they discover that this market is free to them for the future, can be laid down in the city of Montreal at prices with which the Canadian producer cannot possibly compete. They have the cheapest freight rates on the Atlantic from those islands, and the ships which will carry their products will be subsidized to the extent of $1,750,000 from the treasury of Canada for the purpose of giving them access to an open market in this country in competition with our own growers of vegetables and fruits.

I should like to deal at greater length with this question if I had time, but I wish to discuss particularly the suggestion that the best interests of Canada would be served by a substantial increase in the British preference, particularly with regard to textiles. To-day the textile industry is a large factor in providing employment in the cities of Montreal, Verdun, Sherbrooke, Drummondville, Three Rivers and Shawinigan Falls, and is the chief source of employment in Valleyfield, Magog and Montmorency, all in the province of Quebec. The hon. member for York-Sunbury (Mr. Hanson) last evening referred to similar factories in the province of New Brunswick at St. John, Marysville and Milltown. There are also similar factories at Cornwall, Ontario, and elsewhere, but I am now particularly concerned with the province of Quebec, one of whose constituencies I represent in this house.

The manufacture of cotton is essentially a Quebec industry. The latest report of the Dominion Bureau of Statistics shows that in the calendar year 1927, out of 39 establishments engaged in cotton cloth and yarn manufacturing in Canada, 17 were located in Quebec. Those factories employed 14,221 workers out of a total of 21,383 employed in the industry generally. They paid $11,197,832 in salaries and wages out of a total of $17,146,927 paid by the cotton cloth and yarn mills of Canada during that year.

In the revision of the Canadian cotton tariff schedule in 1928, the duty on imports of print cottons from the United States was reduced 5 per cent. The duty was left 2½ per cent lower than the duty on coloured cotton, although the manufacturing expense in printing cotton is considerably higher than in ordinary dyeing. This constitutes one of the most unreasonable tariff revisions ever attempted in the tariff history of this country. The tariff board took no evidence in support of this revision, and the reduction was not justified. It has reduced employment in the mills of the province of Quebec and has brought great loss and impending disaster to the cotton and woollen mills of Canada. Canadian cotton mills which are now operating at less than 60 per cent of their capacity, as well as on a non-profit basis, could easily and profitably maintain the present basis of prices for cotton goods to the Canadian consumer if the imports were restricted and their operations and employment were permitted to be carried on at or nearly at a capacity basis. Such a policy would immediately add several thousands to the list of those employed in Canada and would correspondingly increase the weekly payroll and thus materially assist in improving the current business situation throughout Canada.

Cotton mills in the province of Quebec are operating with reduced staffs for only three or four days a week, while some 1,500 or more cotton mill workers are at present unemployed. Sales volumes are down considerably and a great deal of the business at present taken by the mills to maintain even limited operations is being taken at a loss. The cotton industry is now operating at the lowest ebb of production and profits that has obtained for many years.

I wish the hon. member for Southeast Grey (Miss Macphail) was in her seat, because I think the following facts should receive her consideration. The provincial laws of Quebec

very properly prescribe certain hours of labour; they preclude the employment of children and limit employment of women at night to two nights per week until nine o'clock, the aggregate not to exceed thirty nights in the whole year. Some of the Texas mills, whose products compete in the Canadian market with the Quebec mills, operate both night and day shifts of 55 hours each per week, as compared with a maximum of 50 hours per week in the Canadian mills. The night shift in a Texas mill generally consists of at least 75 per cent of female workers, and in many of the mills in the southern states children are employed for long hours. The minimum wage paid in the southern mills is about two-thirds of the minimum wage paid in Canada.

There is a still more striking contrast between the wages paid in Lancashire, England, and those paid in the cotton mills of the province of Quebec. This comparison shows the wages received for similar work performed on similar machinery in the same working hours:

| | Lancashire | Canada |
|---|---|---|
| Slubber tender.. .. .. | $9 44 | $21 00 |
| Intermediate tender.. | 9 24 | 20 00 |
| Roving tender.. .. .. | 8 32 | 18 00 |
| Ring spinner.. .. .. | 9 19 | 15 50 |
| Apprentices.. .. .. | 4 50 | 9 00 |

The prices given for Canadian labour are those paid in the factories in the province of Quebec. It is in favour of such cheap labour that we give the Lancashire mills a preference in the Canadian market.

It is estimated by reliable authorities that importations account for over 40 per cent of the cotton manufactures and over 70 per cent of the woollen cloth manufactures consumed in Canada annually. During the past ten years, when these industries have been passing through a process of drastic competition and readjustment, not only have the Canadian mills been forced to meet the competition of excess stocks of British and foreign mills which were thrown on to the export markets at non-profit prices, but successive downward revisions of the British preferential, special treaty rates, the intermediate and general tariff rates in 1922, 1923 and 1928, have intensified, increased and widened this competition until the Canadian mills are now on the verge of disaster. The past year was one of the most competitive in the history of these industries, and the result has been that Canadian mills have operated at less than two-thirds of capacity, while the woollen cloth mills have fared even worse in the very limited market at their disposal, operating only three and four days a week and with reduced staffs. The worsted cloth weaving industry, which was presumed to have benefited by reason of the duty-free yarns revision of the tariff in 1928, has reached the stage of over-productive capacity and non-profit margins. The cotton industry of the United Kingdom, which is developed to the basis of one spindle to each one of the population, and organized to export 85 per cent of its production, has lost 50 per cent of its export business due to the expansion and development of the cotton industry in India, China, Japan and other countries which were formerly large importers of cotton goods. The production of 20,000,000 spindles in the United Kingdom has thereby been thrown on the world markets. Reorganization is proceeding. The greatest combination of cotton mills in history, the Lancashire Cotton Corporation, is in process of formation. Bankrupt mills are being purchased at slaughter values. Hundreds of cotton mills in Lancashire have been closed. And now the Lancashire cotton industry, on the basis of reduced wages, reduced capital expenses and non-profit margins, is striving to gain command of the Canadian market.

Here in Canada, the cotton industry is developed on the basis of one spindle to every eight of population. While in Canada, the British preferential rate on grey cottons is 12½ per cent and on white cottons 15 per cent, in India, once Lancashire's greatest export market, the tariff on imports of cottons from the United Kingdom is 15 per cent and this in spite of the fact that wages in Canada are double those paid in Lancashire mills, whereas wages in the Indian mills are only about one-third those paid in Lancashire. Some 80 per cent of the Indian mills are said to be owned or controlled by English capital; yet there is no agitation throughout India in favour of creating a customs preference in favour of British cotton products.

In the United States the cotton manufacturing industry has an over-productive capacity and is seeking a slaughter market in Canada. There the industry is developed on the basis of one spindle to every two and a half of population, without facilities for increasing its export trade except on a slaughter basis.

The development of cotton manufacturing in the southern states, where labour laws permit night operations and the employment of women and children in night work, where wages are very considerably below the wages paid in New England and far below those paid in the Quebec cotton mills, and where mills are operating on mass production on standardized lines, the record of the past few years, and particularly at the present time, is one of non-margin profits. Cotton goods for export are sacrificed and sold to Canadian importers below the cost of production in

order to relieve the domestic markets in the United States. Much of this $17,000,000 worth of cotton goods which were imported into Canada from the United States last year came from southern mills and were manufactured and sold under the conditions which I have stated and which would not be tolerated in the province of Quebec or in any other province.

Mr. LAPIERRE: May I ask a question?

Mr. CAHAN: I will talk to the hon. gentleman when we come to discuss these items in committee, but as I have only a few minutes at my disposal I should like to proceed without answering questions.

In fact, the competition of imports into Canada of cotton manufactures from the United States is even more of a menace to the cotton industry of this country, and of the province of Quebec in particular, than the competition from Lancashire. Whereas the Canadian tariff rates which are now in force on imports of cotton goods from the United States are only 22½ per cent on grey goods, 25 per cent on white goods, 27 per cent on prints and 30 per cent on coloured goods, the new United States tariff on imports of cotton goods, with a duty of seven cents per pound on raw cotton, will be as follows:

Grey goods: not exceeding No. 90's in quality, 10 per cent ad valorem, and, in addition thereto, for each number, 25/100ths of one per cent ad valorem; exceeding No. 90, 41½ per cent ad valorem. That is, the duty on 20's quality cloth will be 17 per cent and on 40's quality, 24 per cent ad valorem.

White goods: 13 per cent and 35/100ths up to 90's, and exceeding 90's, 44½ per cent ad valorem. That is, the duty on 20's will be 20 per cent and on 40's quality, 27 per cent.

Print and coloured goods: 16 per cent and 35/100ths up to 90's, and exceeding 90's, 47½ per cent ad valorem. That is, the duty on 30's will be 26½ per cent, on 40's, 30 per cent, and on 60's, 37 per cent. These are the United States duties which are about to be imposed by their new tariff schedule.

Here is an oportunity staring the Minister of Finance in the face for the imposition of countervailing duties on products on which there are really substantial importations from the United States and which are proving a serious menace to Canadian production and to the employment of Canadian labour. If the government approves the policy of enacting countervailing duties in Canada against increases in the customs duties of the United States, what reasonable grounds can be advanced for their complete failure to protect Canadian cotton mills and their employees against the disastrous competition of the mills of the southern states? Why should a long established Canadian industry such as the textile industry be sacrificed, throwing thousands of Canadians out of employment and destroying millions of invested capital as they are being destroyed throughout Canada?

The Minister of Finance has turned a blind eye and a deaf ear towards all imports from the United States where countervailing Canadian duties would largely increase remunerative employment in Canada and conserve Canadian capital. Moreover, the drawback provisions of the existing cotton schedules in Canada reduce the real protection of the Canadian cotton mills to a mere shadow of what it purports to be. While the United States converter must place his order for a minimum of 7,500 yards of any particular pattern and pay for the expensive copper rolls, a Canadian converter can place his order with the same United States print works for as little as 2,500 yards of a pattern and, as the copper rolls have already been paid for, this cost is deleted from the price for export to Canada, so that the goods are actually sold in Canada at a less price than that at which they can be purchased by converters in the United States. Canadian mills owing to our situation have to demand a minimum yardage of 3,600 yards and absorb therein the cost of the rolls, although the number of patterns necessarily required to be made by the Canadian print works is very much larger than is made by the average print works in the United States. Obviously the competition of United States prints in this market has become excessively keen and of the most menacing and destructive character.

For export to Canada the American manufacturer makes especially low prices for special lots. He sacrifices in the Canadian market his surplus stocks and substandards of seconds. These goods are offered for export to large Canadian buyers at ridiculously low prices, often below the current American prices of the cotton yarns from which the goods are made, without adding the cost of manufacture and profit. There might be some economic advantage, it will be said, in the importation from the United States of these goods at low prices if the savings thus made were passed on to the Canadian consumer. But such is never the case. The goods are purchased by jobbers in Canada and sold through them to the consumers in this country on the basis of the competitive values of Canadian-made goods, and the actual consumer reaps no advantage whatsoever, while Canadian employees are put out of their employment.

No Canadian industry has recorded a more convincing case for upward tariff revision than

the woollen and worsted cloth manufacturers have done in their several hearings before the tariff board. This was virtually admitted by the government in 1928 when the tariff on imports of wool yarns for weaving purposes from the United Kingdom was removed. The duty of 12½ per cent on wool yarns was removed, and this permitted worsted cloth manufacturers to buy their yarns in England on the same basis as English manufacturers, and at the same time the duty of 24¾ per cent on imports of cloth was retained, and thus indirectly their net protection was increased. But this was done at the expense of the worsted yarn spinners in this country. Old established and completely equipped mills with wool preparing, carding, combing, drawing and spinning equipment were sacrificed ruthlessly. The wool growing industry in Canada received a set-back, and this government's new tariff policy in 1928 permitted the importation of wool and worsted yarns duty free to displace Canadian-grown wools in the manufacture of cloth from such yarns.

The woollen cloth industry has not benefited because of the technical difficulties connected with the importation of woollen yarns, and because of the fact that all the Canadian woollen mills are completely equipped for the handling and manufacture of wool from the raw state to the finished product, as is the case the world over. Yet, the whole tendency of this government's policy is to lessen the domestic consumption of Canadian-grown wools and to discourage wool production in Canada, a branch of the farming industry for which all admit there are great possibilities in every province in the Dominion, and particularly in the provinces of Quebec and Alberta, where some of the finest clothing and worsted combing wools in the world are now being grown. Wool production on Quebec farms and wool manufacturing in the home and in the factory has been peculiarly a French Canadian industry, but where once there were many flourishing manufacturing plants in the province of Quebec, there are now only three or four cloth mills struggling for existence. The industry has been sacrificed by the existing British preference, and the province of Quebec has been one of the principal losers.

On the other hand, the Canadian market is now being flooded with the very cheapest and lowest quality of woollens that can be manufactured in English, Italian and Czechoslovakian mills. Much of this cloth is entirely unsuited for Canadian climatic conditions. It is made from old rags and muck gathered from the four corners of the globe, and its production was intended originally for the low-paid, pauperized populations of Russia, middle Europe, and Asia. It is cheap, mungo and shoddy material without warmth or wearing quality, but it is showy and it is foisted by the thousands of yards upon the Canadian market to supply Canadian women and children and workingmen as a substitute for the good-wearing, high quality woollens made in Canadian mills or formerly imported from England. Of course, some good high quality woollens are still imported from English and Scottish mills, but the large proportion of importations of woollen cloth into Canada at the present time is this low grade shoddy material, worthless for wear under the climatic conditions which prevail in this country.

Special treaties with these European countries have been responsible in large measure for the regrettable conditions in which our mills is placed. To-day Canadian woollen cloth mills, the few that still remain, are operating only 3 to 4 days a week, with greatly reduced staffs.

Although wages in English mills are less than 60 per cent of the wages paid in Canadian woollen mills in the province of Quebec, wages in France, Italy and other European countries are 25 to 50 per cent lower than in Lancashire, England. English woollen and worsted manufacturers have made repeated requests to the British board of trade for a tariff of 33⅓ per cent on imports of wool fabrics into the United Kingdom. This increase was reported upon favourably by the board of trade committee, but it has not yet been acted upon, owing to the change in the British government shortly after the report was brought down. Yet Canada gives to these shoddy products preferential treatment in our own market over the Canadian product under special treaties which we have negotiated with such countries as France, Italy and Czechoslovakia.

The destruction of the woollen manufacturing industry in Canada has been a blot on the political administration of this country. To-day, the industry is operating far below the economic minimum. If it is wiped out entirely, or indeed if immediate tariff action is not taken to resuscitate it, British and foreign mills will shortly control this market for woollen goods absolutely. To-day the cost of production in Canada is the price basis, but once production in Canada is removed, this market will be at the mercy of foreign manufacturers, a situation that is, or should be, inconceivable in a country such as Canada, where wool clothing is such an ab-

solute necessity and the development of manufacturing industry an economic necessity.

Development of the silk manufacturing industry in Canada has also been a feature of our industrial expansion during the past few years. The relatively high value of the raw material and the increase in popular demand for silk have been responsible. The high value yields a relatively higher tariff protection on labour cost than is the case with cotton or wool. Moreover, goods containing silk are something of a luxury or are in the luxury class. Development of the silk industry in the province of Quebec has been an outstanding feature of industrial expansion in that province during the past few years.

Now, the government has taken a slap at the silk industry by excluding the excise tax in force in Japan from being reckoned in the cost for duty purposes on silk goods imported into Canada from Japan. When a few years ago Japan imposed the excise tax of 10 per cent on silk manufactures, the Canadian dumping act was enforced and an additional duty of 10 per cent has since been levied on imports of silk goods from Japan. But now this excise tax will be exempted for duty purposes on imports from Japan.

This exemption seriously affects the silk mills of this country. The development of the industry in Quebec has been due in no small measure to the decrease in Japanese competition induced by this additional 10 per cent duty. It has resulted in several million yards increase in Canadian production of silk fabrics. The exclusion of this excise tax from the cost on which the duty is to be reckoned is now causing silk manufacturers considerable alarm.

The whole basis of consideration of the textile tariffs by the present government has been wrongly conceived. The incidence of the textile tariffs on the consumer's dollar has been misinterpreted and misunderstood. It is relatively insignificant. Only about 50 per cent of the domestic market for textile fabrics and materials is supplied by Canadian mills. Given a larger share of this market, under an adequate and scientific tariff adjustment, production costs in Canada can be decreased, thousands more of Canadian workers can be given employment, and millions of dollars more can be paid out annually in wages. The cost of production of textiles in Canada is the basis of prices for textiles in this market, so that an increased production will inevitably bring about a lowering of prices to the Canadian consumer.

I am not advocating—I have never advocated—that Canadian consumers should pay dividends upon watered stock. The capitalization of existing cotton and woollen mills is not in excess of the value of their assets. If there is such an excess, it can readily be ascertained by the government, who should apply the remedy. I am not advocating—I have never advocated—that customs duties should be invoked to sustain a business which is not thoroughly equipped and efficiently managed. The mills of Canada are well equipped and their management is as competent and as efficient as in the United States or in England. Nor should dividends be declared upon a capitalization which is excessive for the real requirement of the business. I am advocating an honest, efficient administration of the mills; but I am advocating also that the government and parliament of this country should protect our labourers against the cheap labour of Italy, Czechoslovakia, Belgium, and even France, not to speak of Lancashire and the southern states.

But we of the province of Quebec—I have not a dollar in this industry; I am speaking of public opinion—do resent pernicious propaganda, based on misinformation and misunderstanding, which has a tendency to destroy one of the great industries of the eastern provinces of Canada, an industry which we are as competent to administer and maintain as the cotton and woollen manufacturers of the United States or of Great Britain, of Belgium, Italy or Czechoslovakia.

Of course, there are highly specialized products—luxury products—of cotton, silk, and wool, for which there is not sufficient demand in Canada at present to justify the equipment of our mills for their manufacture. These we must continue to import from abroad, and in respect of this branch of the trade we would willingly give the United Kingdom a preference over the United States producers. But it is an economic crime to give to the producers of cottons and woollens in the United States, or even to the producers of Great Britain, a preference over our own workmen, in the markets of our own country.

Some of these industries are now being maintained on the verge of bankruptcy by reason of the preferences which prevail in Canada in favour of Great Britain, and also in favour of certain continental countries of Europe, which have hitherto been granted special privileges under existing trade treaties.

Complaint is made that we do not offer constructive policies. I should like to suggest that the duties prevailing on cotton goods

prior to February 1928, should be restored forthwith, and this, although it would increase the tariff protection by two and one half per cent, would give employment to several thousands of workmen throughout Canada, including some few thousand workmen and workwomen in the province of Quebec, and would stop the sacrifice and destruction of capital to the extent of a million dollars a year which is now taking place in the cotton and woollen mills of eastern Canada.

I see my time is up, Mr. Speaker. I shall have to take advantage of some other opportunity during this discussion to present a few more suggestions which I should like to make to the house and to the government.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. G. W. McPHEE (Yorkton): Mr. Speaker, the amendment moved by the hon. leader of the opposition (Mr. Bennett) is unique in that it proposes no amendment to the budget, but states in effect that the present government has lost the confidence of the people of this country. I have followed very closely the addresses delivered by my hon. friends of the Conservative party and I have not discovered any case wherein they have proved that this government has lost the confidence of the people of Canada. On the contrary, hon. gentlemen opposite have resorted to wailing because they have not been able to obtain sufficient public confidence to place them in power.

If the issue is to be whether the government of Canada has lost the confidence of the people we will have to inquire wherein it has lost that confidence. Will the leader of the opposition say that the government of the day has lost the confidence of Canadians with regard to the restoration of the Crowsnest pass rates on grain and flour in western Canada? Will the hon. gentleman say that the government of this country has lost the confidence of the Canadian people in regard to the reduction in the duty on agricultural implements? The electorate of Canada decided in 1926 that it had sufficient confidence in the Liberal party once more to entrust that party with the reins of power. In 1926 the Liberal party said that if it was returned to power it would pass legislation granting old age pensions in this country; that legislation has been put into effect. Will the leader of the opposition say that the present government has lost the confidence of the people of Canada in that respect?

[Mr. Cahan.]

Mr. BENNETT: The Prime Minister has said so.

Mr. VENIOT: No, he has not.

Mr. McPHEE: The Liberal party said it would put into effect the revaluation of soldiers' lands in this country; since the election of 1926 that legislation has been passed. Will my hon. friend say that in that respect the government of Canada has lost the confidence of Canadians? Will the hon. gentleman say that the present government has lost the confidence of the people in regard to its record of reduced taxation and reduction in the national debt?

An hon. MEMBER: That is a joke.

Mr. McPHEE: Every member of this house will recall four years ago what was prophesied would happen to this country if the present government persisted in the reduction of duties on automobiles.

One other matter which was most vital to the people of western Canada was the pledge by the Liberal party to construct and complete the Hudson Bay railway. Will my hon. friend say that the completion of the Hudson Bay railway would place the present government in the position of not having the confidence of the people of Canada? Hon. members will recall the discussion which took place in this house in regard to the completion of that railway, and they will remember that the Conservative party was opposed to its completion.

Mr. BENNETT: Mr. Speaker, the statement of the hon. gentleman is not correct.

Mr. McPHEE: I have in my hand Hansard of 1926.

Mr. BENNETT: Quite so.

Mr. McPHEE: And in that volume I turn to a speech delivered by my hon. friend the leader of the opposition in the matter of a grant of $3,000,000 for the completion of the Hudson Bay railway. At page 4293 of Hansard, 1926, my hon. friend's words are reported as follows:

> I do not regard the vote now before the house as in any sense committing me to the construction of a single foot of railway in addition to what has already been laid.

And further on he says:

> I am not opposed to that being done, but lest it should be thought that by acceding to this grant I am agreeing in principle to the completion of the line to Hudson bay, I desire to make a few observations.

Later on in the same speech the hon. gentleman said:

But from the information I have I could not under any circumstances vote to extend the railway a single foot beyond the present end of steel. I could not vote to send the railway to Nelson.

And further on in the same speech in connection with the same matter he said:

These points are apparent: first, that since the opening of the Panama canal and the movement of wheat from as far east as Maple Creek, and perhaps a little further, to the Pacific slope, there is no longer that urgent demand for the movement of grain west of that point to the Hudson bay or Fort William. Rather the desire is to move it to Vancouver. In the second place it must be remembered that the population of the country is not expanding as we should like, and that any movement that takes place of grain toward Hudson bay must necessarily involve a corresponding diminution in traffic on the two roads that now operate.

Mr. BENNETT: Will you read the context, please.

Mr. McPHEE: I would ask the hon. gentleman to let me finish. Further on my hon. friend said:

I think the minister and the government would be well advised to afford us an opportunity to have firsthand information derived from competent sources as to the availability of this harbour and of this bay for navigation for the purposes we all have in mind, namely, to afford us the cheapest possible route for the transportation of the commodities of western Canada to the markets of the world. If I believed that were possible I would support the proposal regardless of governments or parties. Because I have no such evidence as I would require if I had to consider it as a judge in an impartial way, I believe the whole matter is impracticable.

That was the speech delivered by my hon. friend.

Mr. BENNETT: Quite so, and the Minister of Railways acted upon that advice and changed the location.

Mr. McPHEE: To show my hon. friend that his own lieutenants agreed with my contention, I might read the speech delivered by Mr. Bury, the then member for East Edmonton, immediately following the speech of the leader of the opposition. He said:

I would not now have risen to speak but for the fact that the member for North Battleford (Mr. McIntosh)—with the best intentions in the world I have no doubt, and being himself assured of the truth of what he said—told the committee that the whole of the west was solidly behind this proposition, and he specifically mentioned the province of Alberta. Now, I cannot let that statement go unchallenged, because there is at least one member—and indeed the house has heard another in the person of the member for West Calgary (Mr. Bennett)—who does not believe in the project of the Hudson Bay route as a grain route.

Those are statements made by my hon. friend and one of his lieutenants in the house.

Mr. BENNETT: I would not say that was evidence against me any more than some of my hon. friend's opinions are evidence against him.

Mr. McPHEE: My hon. friend was in his seat at the time and did not refute the statement.

Mr. BENNETT: What about the Minister of Railways? How did he vote the year before?

Mr. McPHEE: Will my hon. friend now say that in the completion of the Hudson Bay railway, over the opposition of my hon. friends, the government of this country has lost the confidence of the people of Canada? Just in that connection it might be of interest to the house to read an interview with Mr. Clarence Graham, honorary president of the "On-to-the-Bay" Association, which appeared in the press just a few days ago. The interview is as follows:

Mr. Graham estimated that within ten years of the opening of the Hudson Bay route in 1931 there will be at least fifteen million people between the Great lakes and the Pacific ocean.

The British preference, put in a nutshell, simply meant favoured treatment for Britain. In the past there had been a great deal of talk of what had been called "the American penetration of Canada." British preference would be practically a subsidy on goods coming from Britain. Pointing to the advantage in distance of the new route, Mr. Graham stated that Churchill was slightly nearer to Liverpool than New York city, being 2,926 miles compared with slightly more than 3,000 to the latter place. He intimated that opening of the Hudson bay in conjunction with British preference would create such a condition of prosperity on the prairies as would excite a desire south of the border to participate on a par with those living this side of the line.

Is it, then, with regard to our increased trade that the government has lost the confidence of the people of this country? Consult the public statements of every provincial premier throughout Canada, of every bank president, of the presidents of large mercantile concerns. They all testify to the general prosperity of Canada. Just a few days ago I happened to pick up a blotter which has been broadcast throughout Canada by one of the large mercantile concerns of the west. On the back of the blotter appears some interesting data, as follows:

Canada's Great Export Growth

The story of Canada as a trading nation in the years since the war is an amazing record of achievement not yet fully recognized by Canadians themselves. Her external trade is now running over three billion dollars a year, compared with two billions only ten years ago.

Most amazing of all has been the growth and variety of Canadian exports. At the beginning of the century, the Dominion was a small country best known for its exports of good wheat. Industrially she was unimportant; a poor crop year made Canada sink into insignificance among the trading nations of the world. All that has been changed. On a per capita basis Canada now stands second among the exporting countries of the world. In 1913, she stood only seventh. But Canadian exports to-day are not all wheat, though wheat remains the backbone of her trading strength. In manufactures alone, Canada still stands second in the world on a per capita basis, exceeded only by Great Britain. Since 1922, Canada has increased its industrial production from $2,500,000,000 to $4,000,000,000. No country in the world has exceeded this rate of growth. . . The record is one which reflects the Dominion's prosperity, and Canadians have a right to feel proud of it.

Is it in the matter of the leadership of the Liberal party that my hon. friend the leader of the opposition says we have lost the confidence of the people of this country? I will let one of the principal Tory papers of Canada answer that question. The Winnipeg Tribune, in its issue of November 1 last, had this to say with reference to the leader of the present government:

Either by good fortune or good management —his opponents say one, his supporters the other—the country at present is both tranquil and prosperous. Really acute political issues are lacking, and such issues as do exist are discussed in calmness and moderation. This fact alone in no slight tribute to the qualities Mr. King brings to his task of leadership.

How, then, do our hon. friends opposite claim that this government has lost the confidence of the people? Some of them refer to the tariff; others say that the Liberal party has stolen the clothes of the Conservative party, and in that contention they are supported to a certain extent by their allies in the southeast corner. When did the British preference ever become a part of the Tory program, in this country? It was first inaugurated by Laurier and Fielding in 1897. If one wants to know the Tory reaction to the inauguration of the British preference in 1897 he only has to read in Hansard of that year the speeches delivered by the Conservative stalwarts of that time. It will be sufficient for me to quote the words of Sir Charles Tupper, who at that time was the leader of the Conservative party. Speaking in the house on April 26, 1897, with regard to the British preference inaugurated by the Fielding tariff of that year, Sir Charles Tupper said:

Now, 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.

Does that look as though the British preference was ever a part of the Tory program? Continuing, Sir Charles Tupper said:

I deplore from the bottom of my heart the ruin that is going to be inflicted upon the best interests of Canada, and upon its great industries. Still, I unhesitatingly say that from a party point of view the hon. gentlemen are doing our work; they are showing the people of this country that no reliance can be placed upon the most solemn declarations that they make, either in the house or out of it; they are showing the people of this country that, having obtained power, which was all they wished for, they are now prepared to abuse that power at the cost of the sacrifice of the industries of Canada.

How similar that seems to be to the language used by the hon. gentlemen opposite.

Mr. SPOTTON: Loud applause.

An hon. MEMBER: Applesauce.

Mr. McPHEE: If my hon. friend would wait a few minutes he might not be so vocal. Much has been said of the inconsistency of the Liberal tariff policy, but in many instances that is purely election talk. What is that policy? What was the policy enunciated by the revered leader of the Liberal party, the late Sir Wilfrid Laurier, in regard to this matter of tariff?

An hon. MEMBER: He has been dead a long time.

Mr. McPHEE: There will be many hon. members opposite who will be dead politically within a few months.

An hon. MEMBER: You will be deader.

Mr. McPHEE: Speaking in the House of Commons on April 23, 1914, the late Sir Wilfrid Laurier enunciated what I believe is accepted by good Liberals as being the proper tariff policy to be followed by the Liberal party. He said:

We on this side of the house are not revolutionists; we are reformers; but we tell

hon. gentlemen opposite that the tariff exists for the people and not the people for the tariff. The tariff is not immutable like the laws of the Medes and Persians. The tariff has to be readjusted from time to time to bring it into harmony with changed conditions. It has to be readjusted periodically because after the lapse of a certain period we know that changes in conditions have taken place, and the tariff has to be readjusted in order to correct errors and to remove evil where evil exists.

That is the policy of the Liberal party as enunciated by the late Sir Wilfrid Laurier and which has been repeated throughout Canada over and over again by Liberals of to-day. Yet our hon. friends opposite half-heartedly make the statement that in the present budget we have stolen their thunder. Ask any housewife in Canada to-day who is permitted to buy her tea at from 10 to 15 cents per pound cheaper than she had to pay before, if this budget is in any sense a Tory budget.

An hon. MEMBER: That is Salada slops.

Mr. SPEAKER: Order.

Mr. McPHEE: Ask any housewife who can purchase her tableware cheaper as a result of this budget; ask any consumer in Canada who is able to buy his goods at a reduced price as a result of this budget, whether or not it is a Tory budget. Possibly my hon. friends would like to hear from one of their own newspapers.

Mr. VENIOT: They could not stand it.

Mr. McPHEE: Perhaps they would like to hear what has been said in reference to the matter of British preference. The Toronto Saturday Night, which cannot be said to have been friendly hitherto to the Liberal party—

An hon. MEMBER: Nor to the Tory party.

Mr. McPHEE: I am sorry the hon. leader of the opposition is not in his seat so that he could hear this. I read this in order partly to refute the statement made this afternoon by the hon. member for South Toronto (Mr. Geary), who stated that it was only for the first day after the delivery of the budget that the papers of Canada spoke highly of it, that as time went on they began to find flaws. The Toronto Saturday Night, in their issue of May 10, ten days after the budget was delivered, has this to say in reference to the British preference:

> With regard to the extensions in the British preference which embrace enormous detail, there will be those, no doubt, who will complain that a bargain with the motherland should have preceded action.

That was the very statement made the other night by the hon. leader of the opposition, that we should have made a bargain with Great Britain. The article continues:

> Such individuals are fortunately few; and the very sentiment created among Britishers by Canada's voluntary action will undoubtedly strengthen the hands of those abroad who wish to see trade prosperity in Great Britain restored through the only channel that seems to be open, increased empire trade based on mutual interest.

My hon. friends opposite, assisted by some of their allies to their left, have made the statement that there is very little difference between the Liberal and Conservative parties in regard to the matter of tariff. However, an editorial which appeared in the Manitoba Free Press only a few days ago clears the atmosphere and defines the issue as between the two parties. This editorial, which I think should be on record, reads as follows:

> The Issue of the Tariff
>
> Mr. Bennett's attack upon the Liberal tariff was in the true Conservative tradition. Since the Fielding tariff of 1897 Conservatives in attack have never allowed any undue regard for consistency to cramp their style. They have exercised the right to denounce Liberal-made tariffs as a hypocritical betrayal of the supporters of the Liberal government responsible because of the presence in it of provisions patently protectionist. They have also consistently and systematically attacked these tariffs on the ground that they do not supply "adequate protection." In parts of Canada where there is well-defined low-tariff sentiment they have said that there is no tariff issue because both parties are equally protectionist, with sometime the variation that the Conservatives are in reality the true low tariff party. This last line of argument is, however, usually left to confederates, who operate behind a screen—like Milton N. Campbell, the supposedly Progressive M.P. for Mackenzie, who has been busying himself lately in trying to make the people of Saskatchewan believe that their hope for tariff reduction lies in the return to power of Mr. Bennett.

The editorial continues:

> But we do not think that now, or at any time in the last thirty years, it has been in the least difficult for an intelligent person to come to an informed opinion as to what the Liberal tariff policy is. It does not favour free trade; it is not primarily concerned with revenue; it does believe in permitting importations under competitive tariff conditions. We should say that it would be a fair definition to state that the Liberals support a competitive tariff policy, while the Conservatives favour a protective tariff looking towards prohibitive rates. The resultant Liberal tariff can only be regarded as low in comparison with protectionist tariffs: it is, in fact, pretty high. But it is now, and has been for 30 years, much lower than any possible alternative Conservative tariff; and there never was a time when the divergence in policy was more marked than it is right now.
>
> The issue in the coming election is the tariff. The choice is between a moderate tariff which permits us to take pay for our exports in the

form of imports, and a high tariff intended to prohibit imports and hamper that foreign trade which is the very life-blood of western Canada. The electors of western Canada will have to line up on this issue, for or against a policy of tariff exclusion.

Mr. SPOTTON: They will.

Mr. McPHEE: Yes, they will.

An hon. MEMBER: Perhaps.

Mr. McPHEE: Our Tory friends are always very vocal on the eve of an election. Let us look back over the history of the Conservative party for the past thirty-eight years.

An hon. MEMBER: Make it forty.

Mr. McPHEE: No, make it thirty-eight.

Mr. SPOTTON: Oh, get back farther.

Mr. McPHEE: Let us consider its history for the past thirty-eight years, since the last election they won under the old national policy, and see what reason they have had for any exuberance of spirit prior to an election. In the past thirty-eight years the Tory party in Canada has had nine leaders. Since the last election they won under the national policy of 1892—

Mr. SPOTTON: 1891.

Mr. McPHEE: Make it 1891. They have had Sir John Macdonald, Sir John Abbott, Sir John Thompson, Sir Mackenzie Bowell, Sir Charles Tupper, Sir Robert Borden, the Right Hon. Arthur Meighen, the hon. member for South Wellington (Mr. Guthrie), and now they have the present leader of the opposition.

Some hon. MEMBERS: Hear, hear.

Mr. McPHEE: In reply to the applause from my hon. friends opposite I may remark that after the next election we shall be able to say of him as Mr. Fielding said of Sir Charles Tupper in 1897 when he compared Sir Charles Tupper with Moses and said that like Moses he had failed to lead his chosen few into the promised land, but had left that task to be performed by some Joshua still unknown and perhaps unborn. In those thirty-eight or thirty-nine years, with their nine leaders—and if we include the leader of the shadow government, that would make ten—they won one election, that of 1911.

Mr. QUINN: How?

Mr. McPHEE: Some other time I will answer my hon. friend.

Mr. SPENCE: What about 1917?

[Mr. McPhee.]

Mr. McPHEE: My hon. friend had better not mention 1917. In the same period of time the Liberal party had two leaders, our late revered leader, Sir Wilfrid Laurier, and the present Prime Minister (Mr. Mackenzie King).

An hon. MEMBER: What about D. D. McKenzie?

Mr. McPHEE: In the same period of time we won the elections of 1896, 1900, 1904, 1908, 1921, 1925,—

Some hon. MEMBERS: Oh, oh!

Mr. McPHEE: —1926, and I am satisfied that when the forthcoming appeal is made, whether it comes soon or late, the electors of Canada will assure to themselves another four years of reduced debt, reduced taxation, increased trade and general prosperity under a Liberal government.

Mr. J. F. WHITE (London): Mr. Speaker, it has been customary for the present government during its regime which has existed almost continuously from the beginning of 1922 to the present, to enlarge in the speech from the throne and also in the budget speech on the prosperity which Canada, it claims, is enjoying under its leadership. This year has been no exception to the rule. The government has both in the speech from the throne and in the budget speech claimed prosperity. I propose to consider some of these claims, not year by year, but rather in the light of experience of the years during which the government has been in office.

Agriculture has always been regarded as one of the basic industries of the country. Early in the session several discussions took place on the various phases of agriculture and it was demonstrated in the debates that that basic industry was in a condition not at all in keeping with the claims made in the budget. Conclusive evidence of this is found in a circular letter sent out under the signature of the Deputy Minister of Agriculture. This letter, which is in part, as follows, refers to only a few branches of the agricultural industry:

You are, I understand, interested in live stock of some kind, and are therefore, I have no doubt, interested in Canada's holding her place, and even doing a little better than that on the world's markets for various live stock products. Now, as a matter of fact, Canada seems unfortunately to be losing ground in this connection. For instance, we no longer export any eggs or butter; we send abroad very little dressed poultry or lamb; our exports of beef cattle are dwindling; our shipments of beef are decreasing; our shipments of bacon, which a few years ago were very large, have almost disappeared, and our shipments of cheese are

rapidly falling off. . . . . Such trade is essential we believe if our farmers are to hope to do more than eke out a bare living on the land.

That is a most damaging confession, and now that the government have been eight years in office it would be interesting to have the replies that are sent to their query. We can, however, give the departmental officials credit for being alive to the danger and for trying to find a remedy.

In former days we used to market a great deal of our farm produce in the United States. If we look back over the records of trade we shall find there have been some very serious changes and also the reasons for the drop in trade so far as that country is concerned. The Commercial Intelligence Journal periodically prints a record of the exports, from Canada to the United States, of the principal commodities produced on Canadian farms or manufactured directly from such farm products. In the issue showing the report of the last six months ending March, 1930, we find a startling record as to the result of our business with our neighbours to the south, and also the reasons therefor. We find that in the six months ended March, 1921, we had supplied the United States market with farm product to the value of $130,517,000 and that during the six months ended March, 1930, our exports of farm products to the United States had dropped to $24,645,000. The reason for that is to be found in the records of the United States tariff rates. Their rates in 1921 and to-day are as follows:

| Commodity | 1921 | 1930 |
|---|---|---|
| Cattle | Free | 1½ to 2 cts. per pound |
| Sheep | Free | $2 per head |
| Oats | Free | 10 cts. per 100 pounds |
| Wheat | Free | 42 cts. per bushel |
| Wheat flour | Free | $1.04 per 100 pounds |
| Beef fresh, chilled or frozen | Free | 3 cts. per pound |
| Butter | 2½ cts. per pound | 12 cts. per pound |
| Potatoes | Free | 50 cts. per 100 pounds |

That is only a partial list, including some forty-odd items which bear the rates of duty which have been in force since 1922. It does not take into consideration any change in duties which are in contemplation by the United States government, and is, of course, only a record of the duties now in force. Those duties have had the result of causing a depreciation in our trade in the American market of eighty per cent.

What did this government do when the Fordney-McCumber tariff of September, 1922, came into force? For one thing, they evolved the Petersen contract. For a second thing, they looked for wider markets. Third, they tried to reduce the cost of implements of production. Fourth, they lowered tariffs. Now, after eight years in office, when the government is faced with a further increase in American duties, it brings down countervailing duties. If countervailing duties is the right policy now, it was the right policy in 1922, when the Fordney-McCumber tariff became law. But in spite of the urging of the opposition, the government accepted the situation in 1922 without a protest, and the consequence is that our trade in the American market suffered a reduction of eighty per cent. Now, when the balance of our trade in that market is threatened, the government are moving to save the remaining twenty per cent by countervailing duties. The time to apply remedial measures was when the greatest damage was being done in 1923.

We all know what happened to the Petersen contract, the government's first reply to the Fordney-McCumber tariff. It is not necessary to enlarge upon that, or upon the object of the Petersen contract or upon what happened to it when it was considered by a committee of this house.

The search for wider markets resulted in many treaties being made, one of which was the French treaty, the dire results of which have been explained to this house on more than one occasion. Then there was the trade agreement with New Zealand. This was under discussion in the house very recently, when the government defended the New Zealand trade agreement in spite of the large importations of New Zealand butter, mutton and other products that are coming into Canada from that country. In the month of March of this year the government defended it as being a splendid agreement, and then in the month of April they gave notice of its termination, driven to it, no doubt, by the activities of the Conservative opposition. In the meantime the government have been bombarded by requests and complaints from the fruit growers, the vegetable growers, the tobacco growers, the sheep raisers and the producers of dairy products, and the results of the government's efforts on their behalf we find in the present budget.

As to cheaper implements of production, the budget of 1924 reduced the duties on agricultural implements and machinery. Many items were reduced, the reductions varying from five per cent up to twelve and one-half per cent. Members of the government have made great claims as to the reductions that have been made in the price to the consumer as a consequence of these reductions in the duties on agricultural implements. I have watched the trend of prices, and on more than one occasion I have referred in this house to the matter. The fact still remains that the price of implements to the consumer is higher to-day than when the government assumed office in the early days of 1922. In proof of that I wish to cite prices that I have here, taken from the standard price lists of the large implement makers. The prices I am going to quote are for quarter cash and one October payment.

| | Price in 1922 | Price in 1930 | Increase |
|---|---|---|---|
| 6-ft. binder | $219 00 | $225 50 | $ 6 50 |
| 8-ft. binder, with bundle carrier and T. truck | 251 00 | 263 50 | 12 50 |
| 6-ft. mower | 95 50 | 96 50 | 1 00 |
| Hay loader, with steel windrow and forecarriage | 112 00 | 122 00 | 10 00 |
| Field cultivators, 7½-ft., three-horse | 99 50 | 113 50 | 14 00 |
| Single disc drills, eastern, 13-disc, 2-horse hitch | 142 00 | 154 00 | 12 00 |
| Single disc drills, western, 20-marker combination, 4-pulley hitch | 206 00 | 232 00 | 26 00 |
| Disc harrow, in throw, 12-discs, 16-inch, 3-horse | 45 50 | 48 50 | 3 00 |
| Hay presses, 2-horse pull, toggle joint, 14 x 18 | 407 00 | 440 00 | 33 00 |
| Ploughs, smaller size, about $2 cheaper in 1930. | | | |
| Ploughs, larger size, same price as in 1922. | | | |
| Wagons, 3¼ skein, 2½ x ½ tire | 107 00 | 107 00 | .... |
| Wagons, 3½ skein, 3 x ½ tire | 115 50 | 114 00 | *1 50 |
| Climax steel wheel farm truck, 3¼ skein, 4 x ⅝ tire | 65 00 | 66 00 | 1 00 |
| Sleighs, 2½ steel shoes | 56 00 | 59 00 | 3 00 |

*Decrease.

Thus it is that the government decreases the cost of the implements of production. As I said, the prices I have quoted were taken from the published price lists of the implement companies, and they prove conclusively that the consumer pays more for his implements to-day than he did when this government assumed office in 1922. In spite of that, the importations of agricultural implements have largely increased.

I wish to pass to a consideration of the effect of the volume of this manufacturing business so far as Canada is concerned. The Bureau of Statistics has issued a bulletin covering the agricultural implement industry in Canada in 1928, and it contains the statement that during 1928 more money was spent in Canada on agricultural implements and machinery than in the preceding year. It goes on to state that this increase in demand for farm implements was largely supplied by imported goods, as lower levels of production were reported for Canadian-made products. Production values dropped in 1928, while imports advanced in the same year. According to the figures given in this bulletin, the apparent consumption of agricultural implements in Canada rose to $66,000,000 in 1928 as compared with $52,000,000 in 1927.

The percentage of Canadian-made implements bought by the Canadian consumer is of great interest. I find from the Bureau of Statistics that in 1923, the year before the great reduction in the duties on agricultural implements, Canada produced 70 per cent of her requirements and purchased 30 per cent. These figures have been practically reversed. In 1925, one year after the reduction in duty, Canada produced 67 per cent and bought 33 per cent; in 1926 she produced 55 per cent and bought, largely from the United States, 45 per cent; in 1927 the figures stand 50-50; in 1928, the last year for which figures are complete, Canada produced only 40 per cent and purchased 60 per cent, almost entirely from the United States. This is a damaging statement so far as the agricultural implement industry of Canada is concerned.

A few days ago the Minister of Justice (Mr. Lapointe) delivered an address in Woodstock, and on the platform supporting him were the representatives of the federal ridings of North Oxford (Mr. Allan) and South Oxford (Mr. Cayley). They lauded the Minister of Finance and his budget. I wonder if the Minister of Justice knew that within shouting distance of the platform on which he was making his speech there existed a wagon factory which had been closed within the last three months? That factory did a good business for twenty-five years, it increased its operations, and it not only made farm wagons, but also freight wagons and sleighs and children's wagons. The firm ceased operations

three months ago and is now bankrupt. There is no doubt in my mind that the failure has been brought about by the reduction of the duties on agricultural implements made in 1924, because the duty on wagons at that time was reduced from seventeen and a half, general tariff, to ten per cent. What message of cheer did the Minister of Justice bring to the shareholders in that defunct institution? What message of encouragement did he bring to the workmen who had lost their jobs in that factory? He said, in effect, as he extolled the present government: We know you are out of a job, but farm wagons, on which the British preferential duty has been five per cent, we will admit free; freight wagons, on which the British preferential duty has been seventeen and a half per cent, we will also admit free; as to children's wagons, we will reduce the general rate from thirty-five to thirty per cent, the intermediate from thirty to twenty-five per cent, and we will make the British preference ten per cent instead of twenty-two and a half per cent. That, sir, is comparable in its heartlessness with the statement of the Prime Minister only a short time ago in which he dealt with the unemployment situation in the provinces under Conservative government. What recourse has the wagon company? None. All it can do is console itself with the ancient promise of the Prime Minister that "no legitimate company making a legitimate profit need fear any action on the part of the Liberal government." The futility of it all is that our manufacturing establishments are being put out of business and the price of wagons is no lower.

I am of the opinion, and this opinion is based on forty years' experience in manufacturing in the metal industry, that with the market we have in Canada assured to our manufacturers of implements by a reasonable tariff, they could on account of mass production make and sell implements at a much lower price than obtains to-day. It may be urged that prices will soar. They did not in 1922. Now we have a tariff board with a staff of men claimed to be experts. They have visited the plants where these implements are manufactured, and they should know the cost of production. If they do not, how can they arrive at the proper customs duty to apply to each of these items? If they know the cost of production they ought to know if prices are exorbitant, and if this is the case they should apply the remedy without any difficulty.

It has been said that since the duties on agricultural implements have been lowered more men are being employed in the industry than formerly. That statement may be true, but the percentage of implements made in Canada has fallen from seventy per cent in 1923 to forty per cent in 1928. If we had the seventy per cent production which we enjoyed in 1923, instead of having ten or eleven thousand men employed in the industry to-day we might be employing twenty thousand, and they would be getting steady work instead of looking for jobs.

When this so-called reduction in the cost of the implements of production was attempted by a reduction in the customs tariff it was accompanied by a reduction in duty on the raw materials which are used in the manufacture of these implements. Pig iron was placed on the free list, and in 1928 we imported 8,392 tons; castings were placed on the free list, and we imported in that year $345,000 worth; rolled iron and steel were also placed on the free list, and we imported in that year sixty-seven thousand tons; on another item under the heading of "other iron and steel products" which includes nuts, bolts, and other articles entering into the manufacture of these implements, the duty was reduced to six per cent, and in 1928 we imported these articles from the United States to the value of $4,321,000. The net result to the primary operations in iron and steel is that we have been producing less than we did in 1913, the year before the war.

I have under my hand Iron and Steel and Their Products in Canada in 1927, a publication issued under the authority of the hon. James Malcolm, Minister of Trade and Commerce. It deals with the production of pig iron, and on page 62 will be found a report of Canada's production in the years since 1913 up to the present time. In 1913 we produced over 1,000,000 tons of pig iron; from 1922 to 1927, the years when this government was in power, we produced an average of 649,000 tons annually, or only sixty-four per cent of what we produced in 1913. On page 63 the capacity of the blast furnaces in Canada is given. Their capacity is stated to be from 1,000,000 to 1,500,000 tons a year; in 1927 we produced only 649,000 tons. That will give the house some idea how these establishments are running on short time or are closed for a large portion of the year.

The manufacturers of iron and steel, of course, have been dissatisfied with this condition of affairs, and ever since 1926 the Minister of Finance has been importuned by many of them to reclassify the iron and steel schedules, and at last we have such a reclassification in this budget. Although the primary producers were sacrificed in 1924, six years later the Minister of Finance tells this house that

the object of his budget is to help the primary producers of iron and steel. He is supported in that statement by the Minister of the Interior (Mr. Stewart), who spoke a few days ago along the same lines. In this budget there have been many changes in the duties, notably in the British preference, the object being "to trade with those who are willing to trade with us."

It is difficult to estimate the effects of the budget, but we do know that Canadian manufacturers are now being undersold in many lines by United States producers, and we do know that if Britain expands her trade she will have at least to equal, if not underbid the United States prices. It is a question whether equal prices will turn our trade to England, because geographical position has to be considered; there is the matter of the suitability of American goods as compared to English goods. Then there is the matter of the ease with which differences between buyer and seller can be adjusted. All these matters will militate against the importation of British goods, and if British goods do come in they will come in at the expense of Canadian labour. It must be remembered that every ton of goods imported, no matter where from, means that one ton less is made in Canadian factories by Canadian workmen. The government has had a change of heart in the matter of applying duties. It evidently now believes in the brick for brick policy which was condemned by them on almost every political platform in this country during the 1926 election campaign. They have adopted that policy, if we may judge from the budget,and they now say it is a good policy for the grain growers; I wonder if the government believes that it is a good policy for the manufacturers. If so, they have not practised it.

There are some anomalies in the present iron and steel schedule. The first item in that schedule is the one regarding scrap iron and steel. Formerly those products carried a duty of 50 cents per ton, but now they are free. I wonder if the tariff board or the Minister of Finance have made any inquiry as to the position as far as scrap iron is concerned. If they had made an inquiry they would have found that the material mentioned in section (a) of item 373, which is wrought scrap and is now on the free list, was imported into Canada in the last five years to the extent of 40,000 tons; it was exported however to the extent of 378,000 tons. There is no record during the last five years in which the exports do not exceed the imports. Under those conditions the item of wrought scrap iron on the free list will have very little effect. It is considered to be good practice in the operation of open hearth furnaces to use a considerable quantity of scrap; this use of wrought scrap does not interfere with the production of pig iron. The scrap is used in almost equal quantities with the pig iron in the interests of economy and good furnace performance.

The next item under the same heading is cast iron scrap. This is one type of scrap which interferes with the production of pig iron. The duty on pig iron is now $2.50 whereas cast iron scrap is free. The importation of this scrap cast iron means just so much less pig iron to be supplied from Canadian furnaces; the free entry will probably increase the importation of this particular item. In the year 1928 we imported 9,900 tons.

Another item in the scrap schedules is that of railway rails. The articles referred to are used rails brought into the country for re-rolling and to be made into other forms of rolled bars, such as concrete reinforcement. The item of railway rails is one which comes into direct competition with the production of pig iron and the primary production of steel. In the last five years we have imported 366,000 tons. The government has raised the duty on billets by $2, and it encourages the importation of old rails to compete with the billets from which bars are made.

Take the items of blooms, cogged ingots, slabs and billets. In 1928 we imported 44,000 tons of this material. In the same year Canada produced 778,000 tons of billets, or 95 per cent of her total requirements. It will be apparent to hon. members that 44,000 tons represents only 5 per cent of our requirements. In the same year there were imported 127,600 tons of old rails to compete with Canadian billets, and these billets are used to make almost the same quality of bars as the old rails. It will be apparent to hon. members that the importation of old rails has a direct bearing on the reduction in the quantity of steel produced, although the government seem to be under the impression that the addition of $2 per ton on billets will make a difference.

Mr. CANTLEY: It is replaced with material of a poorer quality.

Mr. WHITE (London): As the hon. member for Pictou has said—and he has spent a lifetime in the business—it is replaced with material of a poorer quality. In connection with the hot rolled bars and rods there is a worse situation; the duty remains the same. In 1927 Canadian mills sold 190,000 tons of this particular material. In the same year we imported 118,000 tons; last year the

amount was 173,000 tons. In other words, Canada imported 40 per cent of her consumption in rolled iron and steel while her rolling mill equipment has not been fully operative. To my mind such action is not aiding a primary industry. To raise the duty on ingots in order to protect 5 per cent of our requirements and to neglect the duty on bars when 40 per cent are being imported is not the way to help a primary industry.

I regret that I have not time to go into further detail in connection with the iron and steel schedule. All I can say is that there are some items which appear to encourage the manufacture of steel in Canada. The extra duty on alloy steels is one of them. The matter of heavy structural steel is dependent on an order in council, and it strikes me that any maunfacturing concern which will spend a million dollars or a million and a half for the construction of a heavy structural mill is taking great chances and is "putting its trust in princes" when it relies for its returns on an order in council which will impose a certain duty. On medium structural steel the duty has been doubled. The duty on plates has been increased, and this increase will probably result in further manufacturing in Canada. There will not be much change in regard to sheets. American producers do not seem to worry about the situation. The Canadian Steel Corporation, Limited, at Ojibway, has refused to be hurried as far as construction is concerned. While its plant has been under construction for several years there seems to be no probability of its entering the market immediately, so far as the production of primary steel is concerned.

Taking the whole history of the government we find that there has been damage to agriculture. An attempt to reduce the cost of the implements of production has failed. There has been damage to the iron and steel and textile industries. Any prosperity which Canada enjoys in regard to industries is not by reason of any help which the government has given, but rather in spite of it. This proposed revision of the tariff is a mere patchwork; it puts up a little here and takes off a little there; it helps someone at this end of the country and hinders someone at the other end. To my mind what Canada needs is proper consideration of her primary industries and the adoption of tariff schedules which will foster the preliminary stages of our basic industries. After that is done consideration may be given to the secondary processes and so on until all industry has an equal opportunity to develop and to give employment to our people. The present budget does not measure up to that need, and I propose to vote against it.



Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I must first offer my congratulations to the right hon. Prime Minister (Mr. Mackenzie King) and the government for having chosen the Hon. Mr. Dunning as Minister of Finance. I do not think that a better choice could have been made.

A few days ago, the hon. Minister of Finance brought down in the house his first budget and submitted to us the financial, economic and trade situation of this country. Notwithstanding that the hon. minister did not comply with the definition of the dictionary, as he was reproached for, he nevertheless told us that our country, under the present administration, continued its ascending march towards progress and prosperity. Our national debt which, under the Conservative rule, increased by leaps and bounds, was reduced by $80,000,000 during this fiscal year, and by $257,800,000, within the last five years. Our trade with other countries was not as prosperous this year as during the preceding years; we registered an unfavourable balance of $103,000,000. This is due to the fact that the wheat pool in the west, either rightly or wrongly, refused to sell their wheat at the price fixed by the dealers in London. This slight disappointment can only be momentary. Already, since the opening of navigation we have noticed that our wheat shipments have been larger than at this period, last year. In regard to the fiscal year ending on March 31, 1930, the statement of the hon. Minister of Finance shows a surplus of more than $44,000,000, this has helped to reduce our national debt. The receipts amounted to $447,322,000, showing a slight reduction of $14,325,000 as compared with that of the preceding year. This decrease must not astonish us, considering the reductions in taxation effected last year, and which were estimated at more than $25,000,000. The same thing may happen this year owing to the decrease of the sales tax, from 2 to 1 per cent, which it is estimated will amount to $22,000,000. I do not think that there is any one in this house who will reproach this government for having reduced the sales tax, a reduction which was to the advantage of the most numerous and the least wealthy class, the consumers, the majority being workmen. If the manufacturers insist on not paying their employees wages proportionate to their profits and the protection they are given by this government, they will have to settle the matter with that same government. Do you wish another proof of the sympathy of the government towards the workmen? At this present session the hon. Minister of Labour (Mr. Heenan), got this house to adopt a measure obliging all contractors obtaining contracts

from the government to observe the eight hour day and pay their employees fair and equitable wages. The government desired by this act that the workman, who is the most important factor in all industries, and without whom nothing could be done, should divide in a fair proportion the profits realized. The workman, like all other citizens, must live and it is but fair that the fruit of his wages should give him sufficient purchasing powers to buy what he needs for his existence and that of his family. Of what use would it be to the manufacturer to produce, if the workmen had not the necessary money to purchase his products? Inevitably these industries and their owners would face complete failure. The object which this present government has in mind through its tariff policy, is to grant to all and every one the protection to which he has a right without being detrimental to others. No one has a right to get rich at the expense of others. Before the law, we are all equal.

There is another duty incumbent on the government of any country, which owing to its population, industrial and trade development cannot suffice to itself, if it is to keep up most friendly trade relations with other countries. That is why the government has made certain changes to its tariff schedule. It took no accounts of the theories of protectionist or free traders, but rather of the needs of the people and advantages that they might obtain from these tariff changes. Our farmers complained that there existed an unfair competition in butter by New Zealand; the Government asked the tariff commission to make an inquiry, and as a result the tariff was changed so as to do them justice, by establishing a preferential tariff of 4 cents per pound. Our truck gardeners also complained of the competition carried on by the United States against their vegetables. Immediately an inquiry was started, and they are glad to hear to-day that the government by its budget has established a tariff which allows them to compete advantageously with the United States products. But we, city representatives, have no desire to see, by this tariff change, our workmen obliged to pay dearer for their commodities. This question was carefully considered by the government and the solution arrived at, I am convinced, will satisfy all concerned.

It is unfortunate, however, that Conservative importers, with the sole aim of deceiving public opinion, for election purposes, thought fit to raise the price of their goods, and this without any reason, making their clients believe that the tariff was the cause. It is some of the Tory party's propaganda and falsehoods: the Canadian people are wise to their tricks and will not allow themselves to be deceived when the time comes to give their verdict, at the next general election. Before resuming my seat, allow me, sir, to draw the attention of the goverment to the request of the postal employees for an increase in salary. I think that this request should be given further consideration. If it were thought proper to appoint a commission with reference to the increases to be granted to a certain class of employees, I think that the postal workers generally, also deserve that we take an interest in their lot and help them by complying with their request.

There is another question, sir, that I should like to submit to the government. There has been an attempt to introduce in this House a measure tending to make the Canadian people believe that a subsidy for the construction of a national highway would have greatly helped to relieve the unemployment that existed last winter. As representative of the province of Quebec, I have been and I am still opposed to a subsidy for the construction of a highway, so called national. The province of Quebec has always led in the movement to build up good roads. We did not depend on the Dominion government to construct these national highways and I think that the other provinces should have as much pride as the province of Quebec and build their highways without coming to Ottawa to seek the help of the Dominion government. If unemployment, sir, exists, it is not the Dominion government's fault. On the contrary, our government, through the Minister of Labour, did all it could to induce public companies and private firms which had work to be done, to begin as soon as possible, so as to employ those who were in need of work to provide for their families.

After these few comments, I am pleased to state in the house that, as representative of a Montreal riding, the St. Denis constituency, I am proud of the budget presented this year by the hon. Minister of Finance (Mr. Dunning) and I feel certain that it will be given at the next general election the entire approval of the Canadian people.

Mr. M. J. MALONEY (South Renfrew): Mr. Speaker, I very greatly regret that my lack of knowledge of the beautiful language which has just flowed from the lips of my eloquent friend does not permit me to address the house in the same way. No doubt that is my loss; it is the loss of many people in this country, which some day we shall see remedied.

It has been my privilege on four or five occasions to say a word in connection with the budgets which have been delivered in this house and, Mr. Speaker, I recall with sorrow that the man whom I have been accustomed to hear deliver the budget speech during the last five years has passed away. The late Minister of Finance, even though we did not on all occasions agree with him politically, was a man whom we trusted absolutely, a man who I believe had the confidence of ninety per cent of our people. To me it is a matter of very great regret indeed that he has passed away and left us forever. His successor is an outstanding citizen who, we were glad to see, was sufficiently strong in health to deliver a budget of a character unusual in the history of our country.

Speaking as an individual member of the opposition, and for myself only, I should like to remind you, Mr. Speaker, that under the laws of this country there are several kinds of robbery. There is the ordinary, every day robbery; there is highway robbery, and there is robbery with violence. When we come to consider this budget we find that all three kinds of robbery have been combined, and we can only say that the present Minister of Finance and those associated with him have committed at once all three varieties of this offence. As a matter of fact the only difference between certain hon. gentlemen in Canada and Jesse James is the fact that Jesse James had a horse. Surely when hon. gentlemen opposite endeavour to impress upon the country the attitude they are now taking, they cannot be serious. I will say this to the right hon. Prime Minister (Mr. Mackenzie King): If he can put this budget across, the day after the election he can start out and commit murder whenever he wishes, and he will be surely acquitted.

However, the people of Canada cannot be fooled all the time. Almost every item in the budget presented by the Minister of Finance is something for which we have been fighting for many years. It is a very fine tribute indeed to the great party on this side of the house. I think I am letting you in on no profound secret, Mr. Speaker, when I say that when the people of Canada have a chance to pronounce their views, which I hope will be within the next sixty or sixty-five days, they will give to the party which has been endeavouring to propound these policies the opportunity to put them into effect.

The budget will not be the only matter discussed before the people of this country during the next sixty or seventy days. We will discuss the record of this government for the past nine years. Now, on their death bed, they are repenting and endeavouring to adopt the cures which we have been propounding for that length of time, but they will have to answer for their record during that period. To-day, when almost every industry in this country has been, practically ruined, with the farmers almost in penury, the government adopt the policies we have been advocating for the past nine years.

We must also consider the record of this government in many matters in addition to the fiscal policy; we must consider matters of taxation and of expenditure. Here is a party which stood for low taxation and economy. What have they been practising in the last few years? Even to-day what is their platform on economy? They are spending $22,000,000 more this year than was spent last year, and yet they say they are trying to save the money of the people of Canada. How are they spending that money? This is what the people will want to know. Are they spending it in the interests of the people of Canada as a whole? Let us consider for a few moments what is happening right here in the city of Ottawa. This is a matter which I have mentioned before and which will be mentioned again; it is of great importance to the whole Dominion of Canada. I refer to the amount of money which this government is prepared to spend in order to destroy perfectly good property in the city of Ottawa. Is that being done in the interests of the hard working farmer and the hard working labourer of this country? This government is prepared to do that, but how could that money have been spent? The proposal was made to the government that instead of destroying perfectly good property it should do something constructive; it should build a highway from the Atlantic to the Pacific. It should spend millions of dollars upon that work rather than to tear down good property in this city. If that was done it would mean the employment of many thousands of men throughout Canada and would afford relief to a situation which is inimical to our welfare. This government has known of the unemployment in this country, but it has done absolutely nothing. An opportunity was presented to link the east with the west and at the same time give employment to thousands of our citizens. But the government has taken no action in this respect, and that is an issue which will come before the electors of Canada during the next two or three months.

In addition, there is the expenditure which is being made upon foreign legations. What are those legations doing for Canada? What

benefit have they been to the people as a whole? What has our friend Mr. Marler done in Tokyo for the benefit of Canada? How much has he cost the people of this country? What has our friend the Hon. Vincent Massey, in the meantime in Washington cost the people of this country, and of what benefit has he been to Canada? Our idea is to take the money being spent in Washington and Tokyo and spend it in aid of technical education. As you know, Mr. Speaker, our system of education is not one which brings the best out of a boy or a girl. From the time of entering until the time of leaving the common school, our system of education guides the scholar along one certain line, a line leading to the universities. We have not forgotten that ninety per cent of our boys and girls never reach the university? When the young people leave the primary or secondary school, after matriculation, they have a knowledge of algebra, a knowledge of English, an imperfect knowledge of French and Latin, and a smattering of other subjects, but what position in life are they able to occupy? They cannot go into a store and keep a set of books; they cannot go on the farm and work the land—they are too highly educated for that. They cannot take up a trade because they have not received the necessary training. Technical education would mean that boys and girls at the tender age of twelve, fourteen or fifteen would have installed into their minds the idea of taking up some profession or calling worth while. But the government says: No, we would rather spend three million dollars on Messrs. Vincent Massey and Herbert Marler than spend one million dollars on the boys and girls of Canada. This is another matter which will come before the electors of Canada, in addition to the notorious highway robbery which I have already mentioned.

Has this government been a friend of the farmer? Consider the condition of agriculture to-day as compared with that of nine years ago. At that time the farmers of Canada were fairly prosperous; they were able to pay their debts and continue to carry on. From end to end of Canada to-day you will find in section after section, farm after farm abandoned. That applies even in the most highly developed portions of our agricultural districts. In the county of Oxford, which is perhaps the garden spot of Canada, there is to-day a smaller agricultural population than there was at the time of confederation. Why should that be? Simply because of the fact that this government during the last nine years has allowed every foreign competitor to dump his farm products into Canada in competition with our own farmers. In the county of Renfrew for the last eight or ten months we have been eating beef and mutton, produced where? Not in Renfrew county, not in Ontario, not in Canada, but in a country seven thousand miles away—that beef and mutton came all the way from New Zealand, and was dumped here in competition with Canadian farmers. How has this happened? This government passed an order in council without the consent of this parliament, without the consent of the people of Canada, which allows these products to enter Canada in unfair competition with our own products. Not only is beef and mutton allowed to enter under these conditions, but millions and millions of pounds of butter are being dumped here in competition with the products of our own farms. Then, the farmer having been ruined, and the dairying industry killed, in order to procure a few votes the government becomes penitent and says: We will adopt the policy which our opponents have been advocating.

However, there is one other product which has been forgotten—wool and wool products. Twenty years ago we had in the district from which I come ten or twelve woollen mills, all of which were running full blast day and night. What are the present conditions? Out of those ten or twelve mills, only two are left, and one is making a struggle for existence. The others are closed and locked up tight. Why? Because this government has allowed woollen goods and certain grades of wool to enter free of duty, and we are unable to compete with the outside world. Possibly next year, if by any unfortunate chance the present government should be returned, after this industry is dead and gone it will accept the advice we have been trying to give it, and a tariff reform will be brought into force which will protect the woollen mills of Canada. However, that is carrying the question too far.

In conclusion, Mr. Speaker, let us look at these matters from the point of view of Canada's future. The policy of the party of which I have the honour to be a member is a policy for Canada first, last and always, a policy which means the manufacturing in this country of our own raw products, a policy which will preserve for the people of Canada our own markets against any other nation, no matter which it may be, because our first duty is to our own people. When the Canadian people within the next few weeks have a chance to pronounce upon this budget, I feel, as I think seventy-five per cent of the electors of this country feel that my honoured leader

will have an opportunity to form a government, and then indeed Canada will enter an era of prosperity

Mr. THEODULE RHEAUME (Jacques Cartier) (Translation): Mr. Speaker, I listened with interest to the speech of the hon. member for Renfrew South (Mr. Maloney). At the outset of his remarks, he charged the King government with three kinds of thievery as defined by the Criminal Code. Evidently the hon. member meant to say that the Dunning budget has completely unclothed our friends of the opposition and they feel somewhat in the awkward position that our ancestor Adam was, immediately after his fall. We are but human and charitable we would like to help them, however, it is impossible to offer them, in their distress, anything but our sympathy to cover their nudity.

I first wish to congratulate the new Minister of Finance (Mr. Dunning), on his first political achievement which brings to the country smiling hopes and to the government itself a certainty of victory in the great conflict of to-morrow.

I shall now take up a few minutes of the last hours of the session to place before the house the question, ever so long discussed of a Dominion government grant to construct two tunnels under the Lachine canal, in Montreal, one at Wellington street, the other at Church street, Côte St. Paul. The necessity and urgency of these public improvements insisted on for over 20 years, cannot be gainsaid. On the south side of the Lachine canal, covering a distance of three miles, there is a progressive population which will soon attain the figure of 200,000.

Mr. DUSSAULT (Translation): Are they Liberals?

Mr. RHEAUME (Translation): Yes, in part, and we hope to convert the others.

These people are in daily contact with that part of Montreal situated on the north side of the canal. Large, important and numerous industries are located along the canal. The two principal bridges that connect the entire traffic are those of Wellington and Côte St. Paul. There went through the Lachine canal, last year, more than 10,000 vessels, carrying 129,750,737 bushels of wheat and more than 50,000,000 bushels of other grains, without mentioning other merchandise. Owing to this enormous traffic through the canal last year, the Wellington bridge was closed to traffic at various times—I shall give the exact figures—during 32,812 minutes, not one minute more or less—representing about 30 days; the Côte St. Paul bridge was closed during 17,851 minutes—not one minute more or less—that is for about 20 days.

The above facts are corroborated by the letter and statement which were addressed to the member for Jacques Cartier on January 17, 1929, by the Montreal Tramway Commission. I shall read a few extracts of this letter:

The Commissioner of Tramways of Montreal

Montreal, Jan. 17, 1929.

Mr. Theodule Rhéaume, K.C.,
Member for the County of Jacques-Cartier,
Dominion Government of Canada.

Sir:—

At your request, Mr. J. F. Saint Cyr, the Chairman of the Commission of Tramways of Montreal, has directed me to prepare a detailed statement of the delays which the tramway traffic had to contend with—and thereby all other vehicles—at the two swing bridges located on the Lachine canal at Wellington and Côte St. Paul streets, in the course of the navigation season of 1928.

You will note, first, that for a season of hardly more than seven months duration, the total of delays amount to 30 days and six hours at the Wellington bridge, that is of almost one day for every seven days, and of 20 days at the Côte St. Paul bridge.

The summary of the statement on delays which you will find attached is as follows:

| 1928— | Côte St. Paul st. bridge<br>Minutes | Wellington st. bridge<br>Minutes |
|---|---|---|
| April | 64 | 260 |
| May | 2,062 | 3,953 |
| June | 2,436 | 4,311 |
| July | 2,400 | 4,293 |
| August | 2,659 | 4,886 |
| September | 2,653 | 4,683 |
| October | 2,810 | 5,267 |
| November | 2,480 | 4,701 |
| December | 187 | 458 |
| Total | 17,851 | 32,812 |

I also enclose, at the end of the statement the detail of a typical day, that is October 10, 1928, where I have indicated by asterisks the delays encountered during traffic hours. It occurs often and it is the working population which suffers the most.

You will therefore, find, attached to this report, the detail of all the daily delays of tramways at both bridges, from April 22 to December 10, 1928.

Trusting that these schedules will furnish you with all necessary information, I remain, sir,

Yours, truly,

Gustave Comte,
Secretary of the Tramway Commission.

As confirmed by the letter that I have just read and the statement to which it refers,

congestion is intolerable in the morning and evening, when the workmen go and come from their work.

If we add to the ordinary traffic of a city which is growing every day as that of Montreal, the traffic of tourists who each year invade the metropolis of Canada, and two-thirds of whom pass over the Wellington bridge or that of Cote St. Paul, the house will have a fair idea of the necessity and urgency of the tunnels requested.

On what grounds would the Dominion government be called upon to contribute to the construction of these tunnels? First, the Dominion government is obliged to help traffic where its canals and railways are operating. When bridges become insufficient, it must provide other means to meet the needs of traffic. In the case under consideration it is proved that only tunnels could remedy the evil of which people complain.

Moreover, navigation will benefit greatly by the construction of those tunnels. Indeed, the vessels which carry our good will gain an appreciable time; the accidents which have occurred at the Lachine canal bridge and interfered with navigation for a few days, would then be a thing of the past.

With the competition that Canada meets over its wheat in the world markets, these advantages to navigation which I have just enumerated, will certainly be appreciated by the members of this house.

Now these improvements, like elections, require something more than prayers. What will be the cost of those tunnels? The engineers who have studied these two schemes have fixed the approximate cost of the tunnel at Wellington street, at $2,500,000, and that of Cote St. Paul, at $2,130,000. The cost seems high, but I shall show that the government will make a good bargain by contributing to them. The plans already prepared include the necessary space for two tramway tracks two vehicular roads, and a sidewalk six feet wide for pedestrians.

Now, sir, how will the cost of construction be distributed? Montreal, which will maintain on its own responsibility, and become the owners of, these tunnels will pay one-third of the work. The Montreal Tramway Company undertakes to pay another third There would only remain for the Dominion government to pay the balance, that is one-third of the cost.

I shall now show that this contribution of the Dominion government would be an advantageous one financially. It will cost the government very little to help in the construction of these tunnels; indeed, the Wellington street bridge was completed in 1898; it is therefore 32 years old. Thirty-two years in power for a good government like the present one is not much, but for an iron bridge, it is practically the limit of its usefulness. The Côte St. Paul bridge is about as old, perhaps a few years less. It will be necessary to rebuild those two bridges in the near future. What will it cost the country? An amount not less than $400,000 for each bridge. Add to the cost of construction, the operating and maintenance costs which amounts to about $20,000 per year for each bridge; now, the capitalized value of this yearly expenditure, $20,000 at 5 per cent, amounts to $400,000. The construction, therefore, of the government in the proportion of one-third would represent about the same amount which would be necessary to construct, operate and maintain the two new bridges.

I shall add nothing further, as the end of the session is near. I think, sir, that I have proved my case, as we say in court, and I feel confident that the supplementary estimates will help to solve a problem which interests greatly the city of Montreal and the whole country as well.

Mr. C. DUMAINE (Bagot) (Translation): Mr. Speaker, a celebrated English parliamentarian stated that a new member should speak in the house only after having listened attentively during two sessions; that at the third session, he should speak but for ten minutes. I wish to conform, in a large measure to this advice, and I shall restrict myself as much as possible to the time limit indicated.

Before proceeding further, sir, allow me to recall to the hon. members the memory of the late Mr. G. D. Morin, my predecessor. Mr. Morin was highly thought of by his colleagues, friends and all his constituents. He was a hard worker and very devoted to his duties. The country lost a great man; his family, a good father and the county a distinguished member. Mr. Morin was the worthy successor of Mr. J. E. Edmond Marcile, who represented the county of Bagot during twenty-eight years, and his constituents reposed all their confidence in him up to the very last, since they elected him, in 1925, hardly a month before his death. I trust that the example of my predecessors may be a guide to me in my public life.

I took a great interest in the debates of the present session, and I studied as much as it was possible for me to do, the legislation enacted. Allow me, sir, to congratulate the right hon. Prime Minister of Canada (Mr. Mackenzie King) for the wise way in which

he leads the Liberal party and directs the destinies of Canada. The right hon. Prime Minister is a great statesman, and has a wide-world reputation. All legislation which he has passed is sound, human and loyal. I would not be doing my duty and would be unfair to our hon. ministers if I did not give them credit for the good and sound administration of their respective departments. And you, Mr. Speaker, you have my entire admiration and full confidence for the wise way with which you preside over proceedings of this house.

As I wish to be brief, allow me, sir, to say a few words on questions of a general interest to the country and of immediate need to my constituents.

On May 1, the hon. minister of Finance (Mr. Dunning) submitted to us the budget for the current year. The reduction of the national debt, as well as that on the income tax and sales tax were highly appreciated by all citizens of this country, Conservatives as well as Liberals, and this is vouched by all the newspapers which were published the day following this great event.

This year again, more than any other, the government seemed to take a greater interest in the farming class which I have the honour of representing in the house. The prohibition of United States farm products on our markets is a great help to Canadian farmers. The Americans used to dump the surplus of their products on our markets at ridiculous prices, and they prohibited our products on their own markets. I congratulate the government on the stand they have taken. One must not forget that the farmers belong to the class which is the least organized in this country, and we must protect them.

The farming industry differs from other industries; there are a number of factors which makes its management difficult. The crop is either good or bad, depending upon the weather, and even if the market is favourable, if a farmer has no crop he cannot sell anything; and vice versa, should the crop be excellent and the market poor, the farmer is often obliged to sell at ridiculous prices even sometimes at 50 per cent of cost price. Yet the owner of a farm is always obliged to pay, each year, his taxes and meet various other payments, and, furthermore, interests at rates often too high.

One of our devoted colleagues, the hon. member for St. John Iberville (Mr. Benoit) introduced a resolution in this house to reduce the rate of interest on farm loans from 6½ per cent to 5½ per cent. All the members of Quebec and a great number of members from other provinces supported this resolution and signed a request asking the hon. Minister of Finance to reduce by one per cent the rate of interest at present in force. I trust that the hon. Minister of Finance (Mr. Dunning) will grant our request, because I think it just and well founded. If we turn to the other countries which are favoured with a farm loans act, we find that the rate of interest is lower than the one at present in force in this country. I state again that this reduction is necessary and that we should be granted our request.

I should like to see this farm loans act administered by a federal commission, and paid from the public treasury; that each province which benefits by it should look after the local administration, and that the borrower should pay but the cost and fees of the examination of titles, acts and registration.

Another essential point to attain the real end for which the Canadian farm loans was established, is that the valuation of properties be made on the actual value of the properties and that the amount of the loan be not less than the ⅔ of the estimated value of the property. I am confident, sir, that if we thus assisted the farmers, without too much cost to the country, the farming classes would feel happier and more prosperous.

As the hon. member for Jolette (Mr. Ferland) stated in his last speech, the Bankruptcy Act of 1919, caused considerable harm to farmers by allowing them to assign their property. This act, drawn up in terms sufficiently vague as to be interpreted in any way, makes it possible for certain speculators to roam about the country-side and incite the farmers to assign their property. The latter lose their farms and remain with more debts than they had previously. Money lenders in good faith also lost their loans owing to the fact of having made such advances during the three months preceding the bankruptcy. This act has been very harmful to the credit of farmers, and to-day, it is a problem for the owner of a farm valued at about $10,000 to borrow $4,000 or $5,000. These are the reasons why I insist so much that the Canadian farm loans act should become a real help to the farming class.

I would further draw the attention of the government to the estimates for the Department of Agriculture. These estimates are not sufficiently large compared to others of less immediate importance, aviation for instance. Every year the Department is forced to ask for supplementary estimates, and while this is going on, our people are waiting for their money. Within the last few years, the government has wisely taken the initiative of reviving the dairy industry, and, with that

object in view it has established restricted areas. I believe that this Act will be of great help to the farming class, providing that it is well administered. Inspection has already started in my county, and I think that it will be further continued in the autumn. I trust that the government will vote the necessary money to indemnify, as soon as possible, the farmers who may have sustained losses. By indemnifying them within 30 days, the loss sustained will be less felt, and the farmer will be able to renew his herd and get immediate results.

I am pleased—although I expected it—that the hon. Minister of Finance (Mr. Dunning) has levied a duty on butter coming from New Zealand. I hope that the farmers will benefit by it and that the consumer will not complain too much. Butter is, at present, too cheap; we have proof that for about one month past it has been selling below the cost price. The abrogation of the old treaty and the making of new trade arrangements with New Zealand will be highly appreciated by the citizens of this country. I congratulate the government on its attitude regarding this matter. This increase of duty on butter was based on the report submitted by the dairy industry of this country to the tariff commission, in January last. And if the present tariff is not high enough, my opinion is that it should be made higher. Butter is not a greater commodity to the consumer than other products and I know that the consumer will understand the requirements of the producer which are but just and well founded. I congratulate this government for its solicitude towards the farming class. The Liberal party has always been the champion of the farmer and workman; it has always made war on trusts which are a plague on the economic life of this country.

The Conservative policy has always been fatal to the small capitalists; it only endorses the farmers cause during election time, and if we examine the past, we will see that the Conservatives have never done anything to protect those for whom they are claiming so much to-day. Their new attitude is but an election manœuvre; and I hope the people of this country will understand it and that the Liberal party will be returned to power in the next parliament, with a greater majority than the one we have to-day.

Mr. A. E. BOURGEOIS (Kent, N.B.): Mr. Speaker, I should be remiss in my duty to the constituency I have the honour to represent did I not commend the hon. Minister of Finance (Mr. Dunning) upon the splendid budget that he has presented to this house and to the country. I do not recall a time when a budget has met with such widespread expressions of approval. It would be strange indeed were it otherwise; for in summing up its salient features one cannot but conclude that the many changes effected in the tariff schedules will be beneficial to all classes and sections of our country and tend to remove the many discrepancies in our tariff rates against the countries with which we deal.

From the viewpoint of the Canadian home, it must also be conceded by every unbiased citizen that in truth this is a real householder's budget. The budget is replete with happy surprises and anticipations. In view of the abolition last year of many of the so-called nuisance taxes, the reduction of the sales tax, the decrease in revenue from import customs duties, the sum total of which is in the vicinity of $28,435,000, the large increase of expenditures necessitated by the ever-increasing demands made upon the government year by year by the people of Canada through their representatives, the payment out of current revenue of maturing bonds to the extent of $80,000,000, one would not have expected that the Minister of Finance, notwithstanding those circumstances, would be able to submit to parliament the large surplus of $44,500,000, which, coupled with the consecutive surpluses during the last five years, has brought about a total reduction in the national debt of $257,800,000.

This, Mr. Speaker, is very heartening to the people of Canada. It makes it abundantly clear and if the present government is retained in office for a reasonable period of years—and in view of the circumstances we have no reason to doubt that such will be the case—the national debt will in the natural course of events be to the people of Canada a matter of small concern. In view of these indisputable facts, it must be admitted that the results achieved could have been brought about only by a wise, economic and business-like administration of the affairs of Canada such as has been accomplished by this government.

It is true, Mr. Speaker, that conditions during the last three months of the fiscal year have not been, particularly throughout western Canada, as satisfactory as could have been desired, but that was not due to any fault of the government, as some of our hon. friends opposite would have the people believe. It was due, as has already been stated in this house, to a combination of circumstances, the principal of which was the withholding of the export of wheat by that formidable western

organization known as the wheat pool. The pool was perfectly within its rights in acting as it did in an endeavour to realize a higher price for the farmers. Nevertheless this one factor alone undoubtedly reflected in large measure the depression that prevailed throughout the western provinces. It also very materially lessened the earnings of our two great railway systems. I am not condemning or condoning the wheat pool in this regard, but I must say that a corporation is indeed a formidable one that by its manipulations can affect to some extent at least, if not disorganize, the whole commercial fabric of a nation of ten million people.

Mr. GARLAND (Bow River): Is the hon. gentleman not aware that the wheat pool offered wheat for sale continuously throughout the year and did not deliberately withhold wheat from the market?

Mr. BOURGEOIS: My hon. friend is in a better position to speak as to that than I am.

With respect to the tariff changes made in this budget so far as the province of New Brunswick is concerned, I have no doubt that far-reaching beneficial results will follow. Living as we do beside a country of one hundred and twenty million people, with whom we have a large export trade in potatoes, lumber, pulpwood and fish, we desire the mutual good business relations between the two countries to continue. There is no sentiment throughout the maritime provinces, I can assure you, Mr. Speaker, in favour of a brick for brick tariff warfare. On the contrary, there is a sane common sense assumption that if the United States government has seen fit to adjust its tariff and make increases in its duties, it has been done in the spirit of serving the best interests of the people of that country, and therefore no one can find fault if we, actuated by the same motive of serving the best interests of our people, adopt a policy of countervailing duties, which means that countries that both buy from and sell to us have it in their power by reciprocal action on their part to enable us to reduce our duties.

The pulpwood industry in the province of New Brunswick has within recent years developed into one of great importance. We have at the present time two large pulp and paper mills, one situated at Bathurst, and another newsprint mill recently constructed in the town of Dalhousie, which is the largest of its kind in the maritime provinces, giving employment to a large number of men and affording a very substantial home market for pulpwood. It would appear, however, and I am credibly informed, that there are a few large corporations throughout Canada that are desirous of having an embargo or export duty placed on pulpwood going to the United States. I want to say here and now, Mr. Speaker, that I am unalterably opposed to any movement in that direction. It would be most injurious to the farmers of New Brunswick and to others who have reserves of pulpwood. In other words, it would be placing a monopoly of purchase in the hands of a few large corporations to whom they would be obliged to sell. We desire that the farmers as well as all other exporters or dealers in pulpwood be given the opportunity of disposing of this forest product to whomsoever they desire and in the market where they can obtain the highest price.

Mr. ADSHEAD: What is the difference between having goods go out freely and having goods come in freely?

Mr. BOURGEOIS: That means free trade. Representing a constituency in which the basic industry is agriculture, I may say that the New Zealand trade agreement, up until the present time, has not been of much concern to the farmers and dairymen of New Brunswick, because of the fact that they have not as yet been able to meet home market requirements, but they will, I hope, in the course of a short time. However, there has recently arisen a growing sentiment in opposition to the New Zealand trade agreement in regard to butter. This opposition was expressed by resolutions passed at the annual meeting of the New Brunswick Farmers' and Dairymen's Association which met at Moncton in January last, requesting an increase of duty on butter coming from New Zealand. Nevertheless it is a fact that the New Zealand trade agreement has been of great benefit to the agricultural implement manufacturers and to the manufacturers of automobiles and other Canadian products, and also to our exporters of pulpwood. However, I am pleased that the government, in order to safeguard the best interests of the farmers, has advised the New Zealand government of its desire to terminate the agreement on the 12th of October, and that thereafter the duty on New Zealand butter entering Canada will be four cents a pound.

With respect to the increase in the British preference, no more opportune time could have been chosen in an endeavour to stimulate trade with the United Kingdom, which during the year has materially declined. Again, Mr. Speaker, has the Liberal party by action

given proof of its desire to encourage inter-empire trade. Not only is this desirable from the viewpoint of profit, but also as a matter of sentiment.

No better proof of the wisdom of the government in pursuance of a strong preferential trade policy could be given than is exemplified in the preferential trade agreement with the West Indies. In substantiation of this fact we have the statement of Dr. J. A. Ruddick, Dominion Dairy Commissioner, who, having returned a few days ago after a six months' visit to the West Indies, is reported in the Montreal Gazette as saying that Canadian trade is increasing tremendously, that we are now getting 90 per cent of the business in flour and more than 90 per cent of the business in dairy products, particularly cheese, butter and powdered milk, the latter trade having risen from 30 to 90 per cent within the last three years, due largely to the new preferential trade agreement between the two countries. We may now anticipate a still greater increase, particularly in fruit and vegetables, due to free entry under the preferential tariff as announced by the finance minister in his presentation of the budget. Therefore as a result the Canadian people may now expect cheaper fruit and vegetables, particularly the people of the maritime provinces who are so geographically situated that they will benefit to a larger degree.

Coming now, Mr. Speaker, to the trend of events in the maritimes, I may say that optimism has been the keynote of expression during the last three years. It is not long since that our commercial prosperity was impeded by exorbitant freight rates and other economic burdens which confederation had imposed; but since the advent of the present government greater confidence in the future has been strikingly manifest. The claims of the maritime provinces were favourably considered by the government in the implementing of every recommendation contained in the Duncan report. The findings of the Duncan commission dealt effectively with the situation by placing the maritimes in their proper position of equality among the other provinces of the Dominion.

I desire to congratulate the government on the creation of a separate Department of Fisheries, the sole function of which will be the advancement of the fishing industry in all its various branches. In view of this fact, I would suggest that the new Minister of Fisheries instruct his department to investigate conditions in the St. Louis river in Kent county, New Brunswick, with a view of bringing back to its former productivity its once famous oyster beds.



We are grateful for what the government has done for Kent county, particularly in the matter of public works. But there are still some much needed improvements, particularly the construction at as early a date as possible of breakwaters at Dixon's point and Moillet's gully, which are the two missing links necessary to the protection of the lives and property of our fishermen along the Northumberland strait coast of Kent county. There is also urgent need of dredging in the Buctouche and the Richibucto harbours in order to facilitate shipping. This work, I hope, will very soon be given favourable consideration by the present government, which we may expect will again be returned to office; for during the last nine years by its honest endeavours, it has succeeded in welding Canada into one happy, united and harmonious whole.

Mr. PAUL MERCIER (St. Henri) (Translation): Mr. Speaker, the people of Canada received with great satisfaction, the budget so ably prepared by the hon. Minister of Finance (Mr. Dunning). It answers to the needs of our country and includes all the fields of human activity. Not only does it proclaim that the financial situation of our country is in excellent shape, but its balance sheet shows a surplus of $44,507,000. The obligations contracted by the past administration, previous to December 6, 1921, have been met when they matured, without further borrowing by the King government and that, since it directs the affairs of this country, viz., close on ten years.

To fully appreciate the budget, we must consider the situation as it exists after the war, when all nations have, from the material standpoint, and more particularly from the economic standpoint, been reduced to a state of disorganization.

If we look and examine closely the present map of Europe, we note that it has almost been transformed. The various treaties while establishing peace have nevertheless created a diversity of trade interests, not only in Europe, but on the American continent. The European countries, enclosed in their new frontiers, endeavour to reestablish themselves on new trade bases. Each nation fights for its own interests, to sell its own products abroad, at the highest price obtainable, yet trying on the other hand to exclude other nations from exporting in its territory the products which might compete with its own.

Our neighbours, the United States, have sought for the last few years, to monopolize the world market and in return make the smallest trade concessions, not only to European

countries, but to Canada, especially as regards farm products.

If in the budget, the government of this country has found it necessary to answer by countervailing rates the duties the United States put on our products, the people of the neighbouring republic cannot compiain of our new tariff, because they drew it upon themselves by too much selfishness and trade exigencies on their part.

In support of this contention, not only as regards Canada but also France and certain other countries of Europe, it is only necessary to read this passage from a study on the subject, entitled: "The Tariff controversy with France" written by a distinguished economist, Mr. F. W. Taussig, in the Review of Foreign Affairs, edition of January 1928, from which I shall read the following extract:

What, then, will the United States finally do? The people of this country are recurrently called on to consider just how far they propose to carry their protectionist policy, and just how intolerant they propose to be in the way of keeping out every scrap of imported goods that might interfere with any clamorous domestic producer. Should we not consider these larger aspects of the tariff question in connection with the pending negotiations? We have proclaimed singlemindedness in tariff policy; and therein, as I have said, we are proceeding not unwisely. But does this necessarily mean complete disregard of other people? Even those who say most about holding aloof from European complications, say much also about the maintenance of friendly relations with all and the promotion of mutual good feeling. Now that we turn to a systematic policy of most-favoured-nation treatment, why not put into it some element of real favour and of genuine friendliness? It needs no acumen to discern that France does not stand alone in her feelings about our tariff rates. Other countries may make no moves such as she has made, but none the less they shrug their shoulders at the contrast between our courteous gestures and our stern realties. We are eager to export, and above all to export manufactured goods. Our Department of Commerce bends its energy to the utmost toward promoting their sales. But when others wish to send goods to us, we bend our energies to erecting barriers as high as we can devise. It would be no bad outcome of the pending negotiations and debates if we were led to do something toward promoting beneficial trade and good relations not with France only, but with all the world?

We find in the concluding part of the speech of the Minister of Finance a true ideal of a tariff policy and trade relations of Canada with the countries of the world. From the budget there emanates a spirit of justice towards all classes of our country; it displays a spirit of fairness towards those who have invested with us considerable capital, from which the working classes may derive more benefit and better wages.

The farming classes must feel happy over the provisions of the budget, for they certainly were taken care of; the Liberal party has always recognized that they should be protected, and at all times our policy has been: "for new and better markets."

Within the last few months, Conservative speakers have travelled across our province without success, criticizing our trade conventions with Australia and New Zealand. To please the farming class of this country, these conventions will end on October 12, 1930, when in due course, another convention will be negotiated between Canada and New Zealand. I trust that in this new treaty, provisions as advantageous as those of to-day will be included in so far as the automobiles, paper and pulpwood, are concerned.

We felt greatly satisfied, when, in the course of the present session, the various bills transferring to the Western provinces their natural resources, were adopted by the House. British Columbia also had its share in the transfer of lands, and the latter must now have more faith in the present administration of Canada which has been so generous towards it.

It was under the Government of Sir Wilfrid Laurier, then Prime Minister of Canada, that were created the western provinces, in 1905. This political Act, essentially liberal, gave them their autonomy, with the exception, however, of their lands and the administration of their natural resources.

In the year 1930, during the present session, the last of this 16th Parliament, we have witnessed with pleasure the transferring of these natural resources to the three western provinces with, besides, a readjustment of their indemnities. This generous act is to the credit of the present Prime Minister of Canada, the right hon. Mackenzie King, who has completed the work begun by Sir Wilfrid Laurier. Laurier created those provinces, King liberated them completely. Their status is, to-day, that of the Eastern provinces, and it seems to me that Confederation has grown and enjoys more glory since the enactment of the various measures returning to the Western provinces their natural resources.

To foresee, sir, the end of all the economic conflicts which may at certain moments cast shadows over our destinies, is an impossibility. Surely, in the course of one's life, we must shun pessimism as much as optimism; and it is thus that necessity always succeds in equalizing things. The world is revolving and will unceasingly revolve. The world carries on without troubling about, not even listening to our speeches and, little by little, we adapt ourselves to the whims and variations of our social and political surroundings. The difficulty, however, is to reach that stage without too many clashes, and especially, without giving way to the notions and visionary

schemes of idealists and dreamers. These people are always powerless in reorganizing our society and often have upset it on more than one occasion. Even practical measures are always harmful when, despising facts, their sponsors insist on foolishly changing the course of events. Nobody can experiment on society as on the material of a laboratory. History teaches us too well the confusion resulting from the social errors of certain European nations.

Canada is not given to new ideas and we are pleased to acknowledge that the Liberal party walks, to-day, in the footsteps of the sound traditions which it has always endorsed and which are a legacy of the political will of Sir Wilfrid Laurier. It is not always wise for a member to go back to the deluge when he rises in the house to deliver a speech, but it is sometimes necessary to examine the political past of a party as that of the Liberal party to inspire oneself by the deeds of that period which brought abundance to the country, and to note with pleasure that they are always the source of prosperity and a guide for the present time, even in 1930, by applying the same principles.

If we glance over the political history of our country, we find that at the general election of 1878, the Liberal government under Mackenzie was defeated, and, during eighteen years, the Liberal party, always courageous and chivalrous, followed the barren path of the loyal opposition of Her Majesty; but at sunrise one bright morning of June, 1896, Canada again welcomed the advent to power of the Liberal party, having as its leader Sir Wilfrid Laurier. On July 13, 1896, he was sworn in as Prime Minister and took charge, with his ministers, of the destinies of Canada.

The old members of this house no doubt recall the crisis Canada experienced in 1896. Unrest was general, industries were threatened, smoke-stacks appeared like giants but lifeless, agriculture without markets, prices varied like passing clouds, the financial situation uncertain, bankruptcies, sales by sheriff numerous; all citizens faced a gloomy future. It was urgent for the Laurier government to get down immediately to work so as to stimulate business, inspire confidence in all hearts and bring back a new era of prosperity. All had to be done over again, exactly as when the King government assumed power on December 6, 1921. Laurier realized then that the situation was a difficult one, but as he had secured the people's confidence through the program he had submitted to them, he endeavoured to carry it out, notably in the west, of which he knew the needs. The western provinces, known as the Prairies, have become since a few years, a centre of attraction; a subject of talk both in the private and political life of this country.

The birth of the Progressive politcal party, in 1921, was a matter of discussion in Canada as well as abroad. This Progressive party, which time, that great reformer, has remodelled and drawn nearer to the Liberal party in most of its ideals, always remains opposed to the Conservative party's policy.

That part of Canada, therefore, interests at present all the citizens of the Dominion. In a word, to speak of the western provinces and their numerous problems, is, as we see it, to live in the present.

The vast territory that we generally designate as the Canadian west, extends from the province of Ontario to the Pacific ocean. Its total area covers 1,114,672 square miles. Its vastness is such that, even on the geographical map of the Dominion, one cannot truly realize its size and the numerous resources it contains.

We note with pleasure that the western provinces contribute as much as Quebec, Ontario and the Maritime provinces, to make of our Canada, a great and prosperous country, enjoying the most complete social harmony, drawing the admiration of the whole of Europe and being the pride of the British Empire. But, sir, you may say, the Canadian west had a beginning, it was not always what it is to-day: prosperous and forecasting a greater future. It must have grown through the impulse of a wise administration, that government no doubt gave it its start, favoured it by its measures and legislation, finally, became aware that the west would, one day, be the granary of the empire.

You are quite right, sir, the west was opened up to colonization, farming and industry, like all other regions. The great benefactor of the west, was Sir Wilfrid Laurier, the late leader, the soul still living of the Liberal party, whose legislative acts, prudence and sincerity are still the best guide of his worthy successor, the present Prime Minister, the Right Hon. William Lyon Mackenzie King, our leader.

The political administration of that great statesman, was the foundation stone of the development of the west. The first factor which brought progress to the west was the adoption of the preferential tariff between England and Canada, and the trip overseas of Sir Wilfrid Laurier. The latter spoke so admirably and with such frankness of his country, with such eloquence of all the advantages that it offered to the immigrants, the capitalist and manufacturer, that Canada

appeared more beautiful to the eyes of nations and especially to the English people. A brilliant future awaited those who would come to settle on the western plains. Then followed a sound immigration policy.

During the fifteen years which followed 1896, nearly 10,000 miles of railway were constructed, that is an average of two miles per day. Two transcontinentals were built, numerous branch lines were added, terminal stations were built and other branch lines in connection with shipping. Following this expansion, our country grew, and took an important place in the world. That was the doings of the Liberal party and its policy and history now repeats itself, in 1930, after more than 8 years of wise administration by the King government.

We judge of the administrative success of a country by the same standard as that of a business firm, its balance-sheet and its surplus. After two years of sound administration our government entered into a new period of surpluses. Let us quote a few figures.

For the fiscal year 1924-25, a surplus of $300,000.

For the fiscal year 1925-26, a surplus of 28,000,000.

For the fiscal year 1926-27, a surplus of $42,000,000.

For the fiscal year 1927-28, a surplus of $54,000,000.

But from this total $16,000,000 must be deducted for soldiers' lands and seeds, leaving a surplus of $38,000,000.

For the fiscal year 1928-29, a surplus of $69,782,000.

For the present fiscal year of 1929-30, a surplus of $44,507,000.

We have also reduced taxes. First, in connection with the Income tax, an innovation of the Borden government.

In 1922.—Exemption for each child, from $200 to $300.

In 1924.—Additional exemption for each child, from $300 to $500;

In 1926.—Exemption limit of the Income tax, from $2,000 to $3,000 in the case of married persons or with dependents and from $1,000 to $1,500 in other cases; moreover the tax payers whose income is $5,000 or less have but 2 per cent instead of 4 per cent to pay on taxable incomes. The income tax of large companies is reduced from 10 per cent to 9 per cent;

In 1927.—The rates of the income tax of 1926 are reduced by 10 per cent;

In 1928.—Another reduction of 10 per cent;

In 1929.—A new reduction on income tax in favour of certain companies and exemption to the amount of $500 for those who have families to support.

The customs tariff has been changed as follows, and allow me, Sir, to quote but the most important changes:

In 1922.—Decrease of duties on sugar, farming implements, cloth, boots and shoes and certain other articles;

In 1923.—The duties on imported goods under the British preferential tariff schedule are reduced by 10 per cent each time that the regular rates of duty exceed 15 per cent and that the goods are imported directly to a Canadian port.

Decrease of duties on sugar;

In 1924.—Decrease of duties on instruments of production utilized in farming, mining, forest and fish industries;

In 1925.—Decrease of duties on well boring machinery and on motors for fishing vessels;

In 1926.—Decrease of duties on sugar, automobiles, tin, etc.

In 1928.—Numerous tariff changes inscribed at ch. 17 of the 1928 statutes;

In 1929.—Abrogation of the regulation which taxed cablegrams and other telegraph messages.

Abrogations also of the regulation which taxed railway tickets and other tickets of the same nature.

As to postage rates, the Liberals reestablished the postal rate of 2 cents, from July 1, 1926; in 1929, the same rate was established for all parts of the British Empire.

Stamp tax on cheques.

In 1922.—Tax of 2 cents levied on all cheques to the amount of $50 and a maximum tax of $2 on cheques of $5000 or over.

In 1923.—Reduction of this tax to $1.

In 1925.—Suppression of the tax on cheques to an amount not exceeding $5.

In 1927.—Decrease of the tax to a uniform rate of 2 cents on cheques over $10.

Tax on receipts.

In 1926.—Established in 1922, abolished in 1926.

It is therefore well proven that the King government never ceased from year to year to decrease the taxes. This did not hinder it from lowering considerably the national debt, as shown in the budget of the hon. Minister of Finance (Mr. Dunning).

Canada has made great strides, under the administration as regards to diplomatic relations with Europe and our neighbour the U. S. The High Commissioner at London and our legations at Paris, Washington and in Japan are the watchful sentries of Canadian interests and a formal act of good will towards the European countries and the neighbouring republic.

Our government developed the Canadian ports and has carried on extensive works to meet the needs of the country and to facilitate shipping from foreign countries which export goods to us.

The ports of Montreal, Quebec, Chicoutimi, Sorel, Halifax, St. John (N.B.), and Vancouver are proofs of the money expended by the government of the Right Hon. Mackenzie King, in the greatest interest of Canada.

We equally note with pleasure that by the act 19-20 George V Ch. 12, sanctioned June 14, 1929, a sum of $51,409,000 was voted to the Canadian National Railways of Canada, for certain terminal stations with grade seperation at crossings and other works in the city of Montreal and its surroundings.

In the schedule of this act at paragraphs (d) and (e) it is sought and desired that grade separation by means of elevated or depressed or under ground tracks, or streets, as may be determined on the existing railway between Bonaventure and Turcot and connection to the viaduct referred to in paragraph (b); and grade separation by means of elevated or depressed or under ground tracks, or streets as may be determined between St. Henri and Point St. Charles.

We hope that if it is possible to do away with these level crossings, by means of underground passages, the government will notify accordingly the National Railway Company, moreover, if the executive council of the city of Montreal make reasonable and just suggestions to alter these plans, they should be given the highest consideration and be accepted in the interest of the city of Montreal, and especially the muncipal wards of St. Henri, Sainte-Cunegonde, St. Joseph, St. Gabriel and Ste. Anne.

I feel confident, as representative of the riding of St. Henri, that no pains will be spared to carry out the work at this terminal station, so as to satisfy the just claims of the metropolis of Canada.

In closing my remarks, sir, allow me to note with pleasure, that during the war, that is from 1914 to 1918, and since, Canadian paper money was not redeemable in gold; but since July 1, 1926, it has become so, and that is the strongest proof of Canada's excellent standing in the eyes of its citizens and of the whole world.

On motion of Mr. Ryckman the debate was adjourned.

[Mr. Mercier.]

## PENSIONS AND SOLDIERS' PROBLEMS

Mr. C. G. POWER (Quebec South) presented the fifth and sixth reports of the special committee on pensions and returned soldiers' problems.

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

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# Thursday, May 15, 1930.

The house met at three o'clock.

## REPORTS OF COMMITTEES

Second report of the select standing committe on railways and shipping.—Sir Eugène Fiset.

Fourth report of the select standing committee on miscellaneous private bills.—Mr. Glen.

Third report of the select standing committee on agriculture and colonization.—Mr. Brown.

## PRIVATE BILLS

### FIRST AND SECOND READINGS—SENATE BILLS

Mr. SPEAKER: I have the honour to inform the house that I have received a message from the Senate, together with a long list of unopposed divorce bills in which the concurrence of this house is desired. It is moved by Mr. Brown, seconded by Mr. Glen, that the following unopposed private bills be now read a first and second time and referred to the select standing committee on miscellaneous private bills:

Bill No. 141, for the relief of Verna Gladys Stannard.—Mr. Geary.

Bill No. 142, for the relief of Christian McVicars.—Mr. Lawson.

Bill No. 143, for the relief of Vivian Francis Young.—Mr. Casselman.

Bill No. 144, for the relief of Erie Godwin Havens.—Mr. Rutherford.

Bill No. 145, for the relief of Ruth Elizabeth Greene.—Mr. Hepburn.

Bill No. 146, for the relief of Muriel Palmer.—Mr. Casselman.

Bill No. 147, for the relief of Elizabeth Anderson.—Mr. Sanderson.

Bill No. 148, for the relief of Edith Elizabeth Gibson.—Mr. Lawson.

Bill No. 149, for the relief of Margaret Wallace.—Mr. Garland (Carleton).

Bill No. 150, for the relief of Mary Ellen Peever.—Mr. Arthurs.

Bill No. 151, for the relief of Annie Emily Simpson.—Mr. Garland (Carleton).

Bill No. 152, for the relief of Abraham Gleadall.—Mr. Pettit.

Bill No. 153, for the relief of Ann Pisano. —Mr. Pettit.

Bill No. 154, for the relief of Florence Louise Pretoria Pollock.—Mr. Black (Yukon).

Bill No. 155, for the relief of Alma Vera Cochrane.—Mr. Gray.

Bill No. 156, for the relief of Edith Jane Cartwright.—Mr. Black (Yukon).

Bill No. 157, for the relief of Annie Hewitson Taunton.—Mr. Harris.

Bill No. 158, for the relief of James Henry Loree.—Mr. Hay.

Bill No. 159, for the relief of Cecelia Leta Rice.—Mr. Harris.

Bill No. 160, for the relief of Audrey Lillian Connelly.—Mr. Garland (Carleton).

Bill No. 161, for the relief of Robert Webb. —Mr. Garland (Carleton).

Bill No. 162, for the relief of Lillian Martha Cecile Martin.—Mr. Lawson.

Bill No. 163, for the relief of Antoine Joseph Bourdon.—Mr. Black (Yukon).

Bill No. 164, for the relief of Irene Clarice Bunting.—Mr. Hay.

Bill No. 165, for the relief of Lawrence Wellington Robertson.—Mr. Black (Yukon).

Bill No. 166, for the relief of Gordon Robert Foster.—Mr. Geary.

Bill No. 167, for the relief of Andrew Chauncey Sanders.—Mr. McPhee.

Bill No. 168, for the relief of Isador Simpson.—Mr. Boys.

Bill No. 169, for the relief of Royal May Frances Hider.—Mr. Lawson.

Bill No. 170, for the relief of Margaret Caroline Watson.—Mr. Harris.

Bill No. 171, for the relief of Myrtle Alice Niece.—Mr. Young (Toronto Northeast).

Bill No. 172, for the relief of Broadus Baxter Farmer.—Mr. McPhee.

Bill No. 173, for the relief of Meryl Grigg Fizzell.—Mr. Arthurs.

Bill No. 174, for the relief of Mabel Ann Dixon.—Mr. McQuarrie.

Bill No. 175, for the relief of Annie Pettit Nicholls.—Mr. Heaps.

Bill No. 176, for the relief of Thomas William Treadway.—Mr. Lawson.

Bill No. 177, for the relief of Pearl Robena Close.—Mr. Ladner.

Bill No. 178, for the relief of Ivy Lillian Echlin.—Mr. Boys.

Bill No. 179, for the relief of Thomas Clifton Dawes.—Mr. Sanderson.

Bill No. 180, for the relief of Herbert Dean Philip.—Mr. Garland (Carleton).

Bill No. 181, for the relief of William Pearson.—Mr. Garland (Carleton.

Bill No. 182, for the relief of William Woods. —Mr. Young (Toronto Northeast).

Bill No. 183, for the relief of Mary Cameron McMillan.—Mr. Young (Toronto Northeast).

Bill No. 184, for the relief of Bridget Gladys Vivian Tegart.—Mr. Heaps.

Bill No. 185, for the relief of Charles Coblens.—Mr. Heaps.

Bill No. 186, for the relief of Esther Gertrude Wooder.—Mr. Jacobs.

Bill No. 187, for the relief of Eleanor Jane Moorhead.—Mr. Black (Yukon).

Bill No. 188, for the relief of Aubrey Robert Alce.—Mr. Bell (St. Antoine).

Bill No. 189, for the relief of Edith Lerene Collins.—Mr. Lawson.

Bill No. 190, for the relief of Florence Ada Bark Simpson.—Mr. White (Mount Royal).

Bill No.191, for the relief of Helen Theresa Baker.—Mr. Lawson.

Bill No. 192, for the relief of Harry Everett Markell.—Mr. Murphy.

Bill No. 193, for the relief of George Wellington Garfield Neal.—Mr. Murphy.

Bill No. 194, for the relief of Sarah Delia Baker Tribe.—Mr. Bell (St. Antoine).

Bill No. 195, for the relief of Elsie Emily Disney.—Mr. Ryckman.

Bill No. 196, for the relief of Harry Douglas Towers.—Mr. Casselman.

Bill No. 197, for the relief of Elizabeth Warga.—Mr. Sanderson.

Bill No. 198, for the relief of William Thomas Raines.—Mr. Casselman.

Bill No. 199, for the relief of Enos Nuttall Davis.—Mr. Boys.

Bill No. 200, for the relief of Violet May McFadden.—Mr. Lawson.

Motion agreed to, and bills read the first and second times.

## PENSIONS AND SOLDIERS' PROBLEMS

### CONCURRENCE IN FIFTH AND SIXTH REPORTS OF SPECIAL COMMITTEE

Mr. C. G. POWER (Quebec South) moved concurrence in the fifth and sixth reports of the special committee on pensions and returned soldiers' problems.

He said: This motion is made in order to avoid unnecessary delay. The next stage of the procedure will be the presentation of a resolution, followed by the introduction of a bill.

Motion agreed to.

## QUESTIONS

(Questions answered orally are indicated by an asterisk)

### CIVIL SERVICE—MINIMUM SALARY OF ONE HUNDRED DOLLARS A MONTH

Mr. GARLAND (Carleton):

1. Is it the intention of the government to take steps to increase the lower grade salaries in the civil service during the present session?
2. If so, to what extent?

Mr. MACKENZIE KING: This question was answered, I think, by the statement which I made yesterday in reply to the hon. member for Rosetown (Mr. Evans).

### PUBLIC DEBT

Mr. SEGUIN:

1. By what amount, per year, was the debt of Canada increased, from 1911 to 1921?
2. By what amount, per year, was the debt of Canada decreased, from 1921 to 1930?
3. To whom was entrusted the administration of the country from 1911 to 1921, and from 1921 to 1930?

Mr. DUNNING:

1.

| Fiscal year | Increase of net debt | Decrease of net debt |
|---|---|---|
| 1910-11 | $ 3,773,505 70 | |
| 1911-12 | | $ 122,591 32 |
| 1912-13 | | 25,617,835 03 |
| 1913-14 | 21,695,224 46 | |
| 1914-15 | 113,379,233 07 | |
| 1915-16 | 165,780,087 81 | |
| 1916-17 | 264,030,126 78 | |
| 1917-18 | 312,697,764 70 | |
| 1918-19 | 382,646,969 94 | |
| 1919-20 | 674,337,591 35 | |
| 1920-21 | 92,010,359 90 | |

2.

| Fiscal year | Increase of net debt | Decrease of net debt |
|---|---|---|
| 1921-22 | $ 81,256,818 04 | |
| 1922-23 | 31,641,067 01 | |
| 1923-24 | | $35,993,593 86 |
| 1924-25 | | 345,589 29 |
| 1925-26 | | 27,706,586 17 |
| 1926-27 | | 41,896,729 33 |
| 1927-28 | | 50,984,137 17 |
| 1928-29 | | 71,345,527 82 |
| 1929-30 | | 44,507,000 00 (estimated) |

3. The governments of Right Hon. Sir Robert L. Borden and Right Hon. Arthur Meighen (1911-1921); the governments of Right Hon. W. L. Mackenzie King (1921-1926); Right Hon. Arthur Meighen (June to September, 1926); and Right Hon. W. L. Mackenzie King (1926-1930).

### ADVANCES TO HARBOUR COMMISSIONS

Mr. ARTHURS:

1. What amount has been advanced to each of the harbour commissions in Canada as of January 1, 1930, by purchase of bonds or otherwise?
2. How much of the said advances have been repaid in each case?
3. What is the amount owing to the Dominion Government by each harbour commission as of January 1, 1930, including interest?

Mr. DUNNING:

| | | |
|---|---|---|
| 1. | Montreal | $ 54,875,000 00 |
| | Quebec | 20,034,995 68 |
| | Halifax | 435,000 00 |
| | Saint John | 1,881,000 00 |
| | Vancouver | 17,805,900 00 |
| | Chicoutimi | 1,000,000 00 |
| | Three Rivers | 81,760 97 |
| 2. | Montreal | 1,000,000 00 |
| 3. | Montreal | 53,875,000 00 |
| | Quebec | 30,820,259 34 |
| | Saint John | 1,881,000 00 |
| | Vancouver | 17,805,900 00 |
| | Chicoutimi | 1,000,000 00 |
| | Three Rivers | 381,927 08 |

### EXCISE TAX ON CIGARETTES

Mr. GOTT:

1. What is the excise tax on cigarettes?
2. When was present rate of excise imposed?
3. How many times has raise in excise been made during the past 15 years?
4. How much revenue was raised from excise on cigarettes each year from 1912?
5. How many cigarettes were imported into Canada per year during the foregoing years, and what was the value of same?
6. How many cigarettes were manufactured in Canada each year during the same years?

Mr. EULER:

1. Cigarettes weighing not more than three pounds per thousand are subject to an excise duty of $6 per thousand; cigarettes weighing more than three pounds per thousand are subject to an excise duty of $11 per thousand.
2. 23rd June, 1923.
3. Three times.
4.

| Fiscal Year | Revenue |
|---|---|
| 1911-12 | $ 1,889,376 74 |
| 1912-13 | 2,357,705 81 |
| 1913-14 | 2,809,347 02 |
| 1914-15 | 3,004,822 14 |

| Fiscal Year | Revenue |
|---|---|
| 1915-16 | 3,252,797 58 |
| 1916-17 | 3,929,130 15 |
| 1917-18 | 5,002,576 44 |
| 1918-19 | 8,852,076 02 |
| 1919-20 | 14,657,162 63 |
| 1920-21 | 14,650,577 55 |
| 1921-22 | 14,710,869 68 |
| 1922-23 | 14,079,064 61 |
| 1923-24 | 14,767,259 51 |
| 1924-25 | 15,197,878 40 |
| 1925-26 | 17,308,109 01 |
| 1926-27 | 20,011,204 66 |
| 1927-28 | 23,569,640 95 |
| 1928-29 | 27,650,707 97 |
| 1929-30 | 30,223,822 91 |

5.

| Fiscal Year | Pounds | Value |
|---|---|---|
| 1911-12 | 65,173 | $159,681 |
| 1912-13 | 75,555 | 178,644 |
| 1913-14 | 79,875 | 188,097 |
| 1914-15 | 44,339 | 103,800 |
| 1915-16 | 30,222 | 79,069 |
| 1916-17 | 22,398 | 67,060 |
| 1917-18 | 23,698 | 76,805 |
| 1918-19 | 21,085 | 73,137 |
| 1919-20 | 19,933 | 84,364 |
| 1920-21 | 25,611 | 105,309 |
| 1921-22 | 27,136 | 110,261 |
| 1922-23 | 36,127 | 120,492 |
| 1923-24 | 31,880 | 120,834 |
| 1924-25 | 42,115 | 151,452 |
| 1925-26 | 50,896 | 192,269 |
| 1926-27 | 45,622 | 171,591 |
| 1927-28 | 46,670 | 179,040 |
| 1928-29 | 58,174 | 208,773 |
| 1929-30 | 59,050 | 211,849 |

6.

| Fiscal Year | Number |
|---|---|
| 1911-12 | 783,982,185 |
| 1912-13 | 979,206,407 |
| 1913-14 | 1,166,707,610 |
| 1914-15 | 1,088,858,656 |
| 1915-16 | 1,356,846,085 |
| 1916-17 | 1,698,815,380 |
| 1917-18 | 2,321,594,533 |
| 1918-19 | 3,023,729,690 |
| 1919-20 | 3,305,963,002 |
| 1920-21 | 2,512,048,186 |
| 1921-22 | 2,401,142,192 |
| 1922-23 | 1,984,043,182 |
| 1923-24 | 2,431,696,061 |
| 1924-25 | 2,566,900,570 |
| 1925-26 | 2,897,179,500 |
| 1926-27 | 3,313,551,110 |
| 1927-28 | 4,006,498,075 |
| 1928-29 | 4,464,692,635 |
| 1929-30 | 5,035,878,655 |

2419—134½

CIVIL AVIATION INSPECTORS

Mr. ROSS (Kingston City):

1. How many persons have been appointed inspectors in civil aviation branch?
2. What are their names?
3. What services and qualifications did each possess?
4. Were any returned men rejected?

Mr. RALSTON:

1. Nine.

2. G. S. Abbott, G. G. Wakeman, S. Graham, H. C. Ingram, A. D. McLean, D. G. Joy, T. G. M. Stevens, R. C. Guest, T. M. Shields.

3. These inspectors are all overseas men; were appointed by the Civil Service Commission and complied with the requirements of that commission with respect to service and qualifications.

4. No information.

## QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF LABOUR—STAFF

Mr. MURPHY:

1. What was the number of persons on the staff in the Labour department at Ottawa, male and female, in the years 1923 to 1929, inclusive?
2. What were their names, addresses, and occupations, previous to their appointment in the Department of Labour?
3. How many persons are employed by the Department of Labour at outside points?
4. What are their names, addresses and previous occupations?

BUTTER AND MILK PRODUCTION

Mr. TOBIN:

1. How much creamery butter was producted in Canada in the calender years 1928-29?
2. How much dairy butter was produced in Canada in the calendar years 1928-29?
3. How much butter was exported from Canada in the calender years 1928-29?
4. How much butter was imported into Canada in the calendar years 1928-29?
5. What was the consumption of butter per capita in Canada in the calendar years 1928-29?
6. Is any substitute for butter permitted to be imported, manufactured or sold in Canada?
7. Is it permissible to renovate butter under the existing Canadian laws?
8. How much milk was produced in Canada in the calendar years 1928-29?
9. How much milk was exported from Canada in the calendar years 1928-29, and to what countries?
10. How much cream was exported from Canada in the calendar years 1928-29, and to what countries?
11. What was the per capita consumption of milk in Canada in the calendar years 1928-29?
12. What was the number of dairy cattle in Canada in the calendar years 1928-29?

13. What was the average milk production per dairy cow in the calendar years 1928-29?
14. How many farmers in Canada are interested in the dairy industry?
15. What was the average price of butter, cream and milk in Canada by months during the calendar years 1928-29?

## ST. JOHN HARBOUR RAILWAY BRIDGE

On the orders of the day:

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I wish to address a question to the hon. Minister of Marine and Fisheries (Mr. Cardin). I have had a communication from St. John expressing apprehension that a bill for the construction of a railway bridge in the harbour of St. John may not be brought down this session. As the matter is of great public importance and is causing much anxiety, would the minister kindly make a statement as to the government's intention in regard to it?

Hon. PIERRE J. A. CARDIN (Minister of Marine and Fisheries): Mr. Speaker, unfortunately I am not in a position to give a definite answer to my hon. friend on this important subject. I can only say that it is still under consideration.

Mr. MacLAREN: I think that was the answer I got last year.

## BRITISH AIRSHIP R-100

### APPOINTMENT OF BILINGUAL ANNOUNCER AT ST. HUBERT BROADCASTING STATION

On the orders of the day:

Mr. PAUL MERCIER (St. Henri): Mr. Speaker, I wish to put this question to the hon. Minister of National Defence (Mr. Ralston). Is it within the knowledge of the department that Mr. J. A. Wilson, comptroller of civil aviation in Canada, refused to appoint a bilingual announcer at the St. Hubert broadcasting station regarding the arrival of the airship R-100 from England? If so, is it the intention of the department to appoint such a bilingual announcer?

Hon. J. L. RALSTON (Minister of National Defence): The answer to my hon. friend's first question is no. As to the second question, it is not really a matter of whether or not a bilingual announcer should be appointed, but whether or not bilingual statements can better be given from the tower or be distributed from the various stations. This is a matter which involves a great deal of technical investigation. It is two weeks before the R-100 is expected here, and I can assure my hon. friend that I am personally going into the question to see which is the better way of broadcasting information having regard to the technical considerations involved. I would refer my hon. friend to the statement which appears in the morning's papers with regard to the whole subject.

Mr. MERCIER (St. Henri): I am satisfied.

## IMPORTATION OF LUMBER

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): May I ask the Minister of National Revenue (Mr. Euler) to give me an answer to the question that I asked last week?

Hon. W. D. EULER (Minister of National Revenue): I am sorry to say that I do not recall exactly just what the question was. If it related to lumber, I think I told my hon. friend at the time that the matter was under investigation. I am afraid I have to give him the same answer to-day.

Mr. McGIBBON: How long is it going to take to complete the investigation?

Mr. EULER: Not very long.

## BOVINE TUBERCULOSIS

On the orders of the day:

Mr. T. E. KAISER (Ontario): Mr. Speaker, may I ask the Minister of Agriculture (Mr. Motherwell) whether the huge slaughter of cattle for bovine tuberculosis is intended by the government as an economic measure or as a measure of public health?

Hon. W. R. MOTHERWELL (Minister of Agriculture): It is the best method known to us of dealing with bovine tuberculosis, both from the economic and the health standpoints.

## INQUIRIES FOR RETURNS

### LOUISVILLE, QUEBEC, POST OFFICE CARETAKER

On the orders of the day:

Mr. W. E. ROWE (Dufferin-Simcoe): Might I ask the Secretary of State (Mr. Rinfret), Mr. Speaker, when I may expect the order for a return passed on March 17, with reference to the Louisville, Quebec, post office caretaker?

Hon. FERNAND RINFRET (Secretary of State): My hon. friend was kind enough to send me a note of his question. I may tell him that the return was tabled on April 26 and that he may secure it from the office downstairs.

JAPANESE IMMIGRATION

Mr. GEORGE BLACK (Yukon): Mr. Speaker, on April 9, an order was passed for a return showing the treaty, or arrangement, between Japan and Canada regulating Japanese immigration and some other particulars, but up to date the return has not been laid on the table. It would not take very long to prepare and as the end of the session is approaching I should like to ask the government that it be tabled without delay.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will endeavour to see that the return is expedited.

## UNEMPLOYED WORKMEN AT THE PAS

On the orders of the day:

Mr. T. W. BIRD (Nelson): Mr. Speaker, I have reliable information that a large number of workmen are stranded at The Pas and are in a serious condition. These men were lured there by prospects of work on the Hudson Bay railway and at Fort Churchill. Can the government do anything either to find these men work or give them free transportation to their homes?

Hon. T. A. CRERAR (Minister of Railways and Canals): In reply to my hon. friend I may say that arrangements are now being made to secure the personnel of the working force for the construction work at Churchill during the coming season. About 80 per cent of the men who were there last year have expressed their willingness to go back, and they will be given the preference. At the present time a representative of the department is in western Canada endeavouring to secure the balance of the men, and in the course of a few days he will be at The Pas. Unfortunately, it appears that a large number of men went to The Pas in the expectation that they might find employment in the north country.

I may add for the information of the house that in the near future the Canadian National Railways will be resuming the work they have to do on the line to Fort Churchill and several hundred men will be required for that work. As to what else can be done in that matter, I am at the moment not able to say.

## RELIEF TO SWEDISH IMMIGRANTS

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, a few days ago I asked the acting Minister of Immigration (Mr. Stewart) a question in relation to a press despatch stating that several hundred Scandinavians were in Winnipeg, destitute, and were applying to both the provincal and the federal governments for help. Has our government done anything in the matter?

Hon. CHARLES STEWART (Acting Minister of Immigration): In reply to my hon. friend's question, we have made inquiries and find that there were in the neighbourhood of one hundred, or one hundred and thirteen men, nationals of Sweden, who were out of employment at that time, but who expected to be employed on the Hudson Bay railway and the construction work at Fort Churchill. I was informed that they would be given an opportunity to go to that part of the country. With respect to their application to the Swedish government, I have no knowledge.

Mr. A. A. HEAPS (North Winnipeg): I should like to ask the acting Minister of Immigration if those persons now stranded at Winnipeg are to be given the preference over those at The Pas?

Mr STEWART (Edmonton): My understanding is that those men have been in the country for some time. I have no knowledge of their having sent any messages to their home government, and my information was that in a short time most of those who were willing to take employment would be given the opportunity.

## THE BUDGET

CONTINUATION OF THE DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, May 14, consideration of the motion of Hon. Charles A. Dunning that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto of Mr. Bennett, and the amendment to the amendment thereto of Mr. Fansher (Last Mountain).

Mr. J. A. GLEN (Marquette): There is nothing in parliamentary life which can transcend the importance of the budget, and there is nothing which better reveals in a temporary fashion the mentality of hon. members in the house than the budget debate. There is nothing in our deliberations which has such great effect upon the life of the country as the budget, and the one presented this year is certainly no exception to the rule. It has been introduced by a new Minister of Finance, young in years but who has had a varied and wide experience, and I think it is not an exaggeration to say that the country waited with intense curiosity to learn

the proposals which would be contained in his first budget. He most certainly has provoked thought and discussion. He has not pleased all his friends; on the contrary he has unleashed the political enmity of all his Tory friends. The Minister of Finance (Mr. Dunning) has run true to form in that he has at least supplied the storm centre of political controversy and I am sure his position is not an unhappy one.

There are two ways, among others, in which the budget can be discussed and appraised. The first is the proposals as contained in the budget itself, and the second is the attitude of the opposition towards those proposals as revealed by the leader of the opposition (Mr. Bennett). I propose for a few moments to discuss the latter aspect of the situation. At the outset I must say that I cannot reconcile the words of the leader of the opposition when he spoke at the close of the address by the Minister of Finance. I take the view, and I think the country will do likewise, that in the exasperation of the moment he revealed his true deep-seated antagonism to the proposals contained in the budget, and he could only resort to denunciation of anything contained therein. In one breath he deplored the fact that the Minister of Finance had not realized that the word "countervailing" was just a poor substitute for the word "retaliation." In the next sentence he stated that the finance minister had enunciated a tariff policy made in Washington for operation in Canada, and asked whether the Minister of Finance realized that this was nothing more than a retaliatory policy. It is beyond belief that a tariff policy could be framed in Washington as a retaliatory policy for Canada against the United States. Surely the United States are not so blind to their own interests that they will deliberately evolve a tariff against us for the purpose of providing us with a retaliatory weapon. My hon. friend the leader of the opposition omitted to state that we have a section in our customs tariff at the present time which provides for countervailing duties. I shall take the liberty of reading it:

If the president of the United States under authority of the United States Tariff Act of 1922 determines to reduce the duties imposed by such act on the following articles, that is to say, cattle, wheat, wheat flour, oats, barley, potatoes, onions, turnips, hay, fish as enumerated in paragraphs 717, 718, 719 and 720 of the Tariff Act of 1892.

The governor in council may by order in council make such reductions of duties on such articles imported into Canada from the United States as may be deemed reasonable by way of compensation for such reductions on Canadian products imported into the United States.

[Mr. Glen.]

I think the leader of the opposition must have omitted that from his address. If I have correctly interpreted the address given by that hon. gentleman and the address delivered by his red-blooded colleague the member for Fort William (Mr. Manion), I think I am justified in having assumed that the Tory party are wedded and entirely committed to a policy of reprisals against the United States. Their aim and purpose, as they have declared, is not to turn the other cheek to the United States.

Mr. BENNETT: May I interrupt my hon. friend. The hon. gentleman will recall that last year I distinctly said just the opposite. I said that I was not concerned with legislation against anyone but that I proposed legislation for Canada.

Mr. GLEN: My hon. friend may turn as he will. He is in favour of tariffs for Canada against whom? There was only one country with which we were dealing in the discussion which took place last year and that country was the United States. The only reprisals which could have been made against a country at that time would have been against the United States. As a matter of fact hon. members will remember that the leader of the opposition asked that this house should sit until the United States framed their tariff in order that we would be in a position to meet it. If that be so, then on their own submission, these countervailing duties being retaliatory, are exactly what they desired should be done and for that reason would not be framed in Washington. It was rather striking to find—and I give this statement of fact to the house, leaving hon. members to draw their own conclusions—that on the 2nd day of May, the day after the budget was introduced, there was a discussion in the House of Representatives on the proposed duties on certain kinds of timber, lumber and shingles which were restored to the free list. In the course of the debate Representative Crisp is reported on page 8501 of the Congressional Record as follows:

I called attention yesterday to the protests being made by the foreign nations, and in the press to-day you will read where the government of Canada in its budget yesterday raised its tariff rates and raised them to be retaliatory equal to the rates in the present bill, with the statement that if this goes into effect they will be raised to be on a parity with this law.

Canada is our best customer. One of the things we do get from Canada is lumber, and when you stop buying anything from Canada, you are going to lose one of your best customers. You can not blame them for the action they have taken, because that is human nature. Under their budget they are to give preferential tariff rates to other nations that give them pre-

ferential rates. Consequently commerce will go from those other nations to Canada, and America will lose one of her very best customers.

Gentlemen, you are carrying the tariff to a fanatical state. You have got to think. Are we now having great Republican prosperity? If you would listen to the members of this house talk about the unemployment in their districts you would not think we had much of the boasted Republican prosperity in this country.

Gentlemen, I fear this: If you stop all foreign markets for your surplus goods, whether agricultural or manufactured goods, you are going to have more men out of employment in this country, because the factories are going to shut down.

It is somewhat noteworthy to find such sentiments expressed in that house and I think I have heard like expressions in this house. I cannot and I will not say that a tariff war is in the best interests of Canada. Last year I spoke during the budget debate and I deplored the fact that a tariff war could exist between this country and any other country. To my mind a tariff war is equally as ofensive as an armed crusade. Armaments can be curtailed but I think it is more difficult under our system of government to curtail the activities of vested interests, as they are called, in a tariff economic war. People are so ready to believe that when you take away from someone something which he already has you take away a vested interest and therefore it is much more difficult to discontinue a tariff war. I was very much impressed by one fact in connection with the United States tariff. There was a memorial presented by a thousand economists of the highest standing in the United States, protesting against the recently proposed tariff increases. This memorial points out especially that tariffs have not helped agriculture. On May 12 last an Associated Press despatch from Geneva states that the British Labour government is ready for further negotiations looking to a tariff truce. Thirty states which met under the auspices of the League of Nations were unable to agree to a tariff truce, but they adopted a convention under which in principle they recognized the interdependence of their own tariff policies and those of other countries, and undertook to consider the interests of other countries before introducing tariff increases, "except in cases where the urgent and vital interests of national economy render this impossible."

I believe that the next great international question will be the reduction of tariffs, and the question of disarmament necessarily must be linked up with the question of tariff reduction. Both questions concern wars which vitally affect civilization and the burden of which ultimately must fall upon the shoulders of the people. For that reason I would view with alarm the suggestion that at the next Imperial conference this country should be represented by a protectionist party. They would go to that conference with preconceived notions with regard to tariffs which I profoundly believe are inimical and harmful to the best interests of Canada.

Mr. WOODSWORTH: May I ask whether that same principle should not apply on this continent as well, instead of building a tariff wall between Canada and the United States?

Mr. GLEN: I have already explained that I am entirely in agreement with that view, and I deplore any tariff wall between Canada and any other country. The leader of the opposition dealt at length with the British preference. He had unlimited time at his disposal, but since my time is rather limited I must deal with this question more generally than I should have liked.

Would it be an exaggeration to say that the leader of the opposition is opposed to the British preference, or would it be more delicate to say that he views it with disfavour? His party always has assumed the ultra-British attitude, which being translated into action finds his party, because of party policy only, opposed to the British preference. It is difficult to conceive the Conservative party adopting any other attitude. Their whole policy is protection, and surely it cannot be gainsaid that any measure of free trade with Great Britain or any other country is the absolute negation of their tariff policy as we know it to-day.

An hon. MEMBER: What is your policy?

Mr. GLEN: I will come to my policy presently. Despite the lip loyalty frequently expressed by the Conservative party they dare any other parties to seek approval of the British preference. I have no doubt the leader of the opposition realizes that our intangible bonds of love and affection with the mother country can be expressed in the more tangible bonds of trade and commerce, and we can make it clear through the British preference that we mean to cement those bonds. Personally I must approve of the provisions of the budget which are expected to result in greater trade with Great Britain. There are absurdities in the present tariff which the Minister of Finance proposes to adjust, and I think it somewhat unfair of opposition speakers to criticize the deletion of some of these items from the customs schedule.

The budget speech of the Minister of Finance is not only a challenge to other countries; certainly it is a challenge to Great Britain as well. Here we have probably the most far-reaching proposal for reciprocal trade between Canada and the British Isles that ever has been made. Canada now offers to free trade Great Britain a large measure of free trade proposals. It is eminently fitting that this offer should come from the present administration, and I make that statement sincerely. We are perhaps too near the events of the last four years to estimate correctly the tremendous and far-reaching consequences of the change in our relationship with the rest of the empire, but I am confident that the present administration, and particularly the Prime Minister and the Minister of Justice, will be remembered in the future history of Canada as the proponents and supporters of the new era of empire relationship which was inaugurated at the Imperial conference of 1926, with the consent and the concurrence of the whole British Empire, among whose delegates were the most distinguished statesmen of Great Britain. Now, just before another Imperial conference, Canada has flung out its challenge to Great Britain and the empire to consolidate that forward step by doing away with many of the obstacles in the way of empire trade and commerce. I do think that the present Prime Minister and Minister of Justice are the proper persons to represent Canada at that conference and to complete the work which they began.

In conjunction with this it is a happy augury that the Hudson Bay railway is so near completion and that very soon we will be able to use that route in marketing our grain and other products. In this connection I might add that the people of the west will indignantly resent any efforts which may be made to hinder the full development of the facilities of that railway. For forty years they have been fighting to obtain it and, having obtained it, they hope now that the dice will not be loaded against the Hudson Bay railway as was the case in the past. They look for the full development of the facilities of that route, with the fullest cooperation of government and railway officials.

If these and the other subjects to which I have referred were all that the budget contained I would be in a happy state of mind; I would cheerfully acquiesce in and support the general principles contained in the budget. I realize, however, in common with nearly every other member who has spoken in this debate, that the tremendous number of changes in the tariff dealing with the iron and steel schedules, among others, must be explained in committee. It is not possible for one who is not an expert, with life long experience, to understand the ramifications of this involved industry. In committee we will have an opportunity to discuss these changes more intelligently, and all that can be done in the meantime is to discuss the general principle. I have received calculations showing the number of items in which the consumers are concerned which are affected by this budget. The figure is very large, and I certainly hope it can be proved. If the Minister of Finance can demonstrate to the house that the figures are even approximately correct it will go far to substantiate his arguments contained in the budget speech.

There are two items, however, which I must discuss as fully as time will permit; I refer to the items dealing with butter and fruits and vegetables, with which I might join the item of eggs. I know my hon. friend the leader of the opposition will be waiting with some interest to learn just what I have to say on this particular subject, in view of my position in the past. I will not keep him long in suspense; I will tell him that my conceptions of what I believe to be sound economic principles are absolutely unchanged, but I am sorry to say that a number of hon. gentlemen—and I hope a small number—have seen fit to change their opinions in this regard. When the Australian treaty, with its extension to New Zealand, was discussed in this house recently I was frankly amazed at the trend of opinion expressed by hon. members. Having that in mind, I was not so greatly surprised on my visit home during the Easter recess to learn that this opinion was shared in part by some of the farmers of the west. I find it necessary to express my views in this regard; I would be remiss in my duty and false to myself if I did not do so.

I believe that the duty which has been placed on Australian and New Zealand butter represents a shortsighted policy, as far as the interests of western Canada are concerned. If the trade returns from 1923 to 1929 are any criterion, not only do those who favour this duty deprive themselves of the right to protest against tariff duties affecting other industries, but there will be no corresponding benefit to the producers of butter. The following table shows the average monthly price for No. 1 cream which obtained in Toronto during the

years 1923 to 1929 inclusive. The prices are given at cents per pound of butter fat, and are as follows:

| | 1923 | 1924 | 1925 | 1926 | 1927 | 1928 | 1929 |
|---|---|---|---|---|---|---|---|
| January. | 41 | 44 | 37 | 43 | 43 | 40 | 44 |
| February | 41 | 45 | 33 | 43 | 44 | 42 | 44 |
| March. | 48 | 44 | 33 | 45 | 45 | 43 | 46 |
| April. | 43 | 35 | 33 | 45 | 47 | 43 | 46 |
| May. | 31 | 31 | 35 | 35 | 43 | 40 | 40 |
| June. | 32 | 32 | 34 | 35 | 35 | 37 | 37 |
| July. | 31 | 34 | 35 | 34 | 35 | 36 | 38 |
| August. | 32 | 34 | 36 | 35 | 35 | 37 | 40 |
| September | 36 | 36 | 37 | 34 | 38 | 40 | 41 |
| October. | 37 | 37 | 40 | 34 | 40 | 41 | 42 |
| November | 38 | 37 | 42 | 35 | 40 | 41 | 42 |
| December. | 42 | 39 | 43 | 39 | 40 | 44 | 43 |

The imports of butter for the years 1923 to 1929 were as follows:

| Year | Pounds |
|---|---|
| 1923 | 1,588,000 |
| 1924 | 903,000 |
| 1925 | 95,000 |
| 1926 | 5,812,000 |
| 1927 | 11,206,000 |
| 1928 | 16,797,000 |
| 1929 | 35,928,000 |

Mr. GOTT: Will the hon. member permit me to insert the figures for the last fiscal year?

Mr. GLEN: The hon. member can do that himself.

Mr. GOTT: They are government figures, not my own.

Mr. GLEN: In 1928, when the imports amounted to 16,797,000 pounds, the monthly prices, with the exception of November, were greater than the corresponding prices for the months of 1925, when only 95,000 pounds were imported. During 1929, when the importations amounted to 35,928,000 pounds as against importations of 16,797,000 pounds in 1928, one would have imagined that the prices would have been lower. But what do we find? With the exception of December, 1928, when the price was 44 cents per pound, and December, 1929, when it was 43 cents per pound—the months of May and June in 1928 and 1929 were the same—all the other months in 1929 were higher than the corresponding months in 1928.

Mr. SENN: Are the prices quoted by the hon. member based on the price of cream as obtaining in Toronto, or upon the price of butter itself?

Mr. GLEN: They are based upon the average monthly Toronto price of No. 1 cream, given in cents per pound for butter fat.

When the time comes that we are exporting butter, then it will be true that the export market price will become the domestic market price. The point is that you will not make cream shippers richer by shutting out imports, because just so long as our exports of dairy products exceed our imports then the price received by producers for cream or anything else will depend upon the prices ruling on the markets of the world. It is natural for a producer to accept the statements made to him by interested parties and to believe that were it not for the importation of certain quantities of butter he would receive a better price for his commodity. In this particular instance, I think that belief is answered, and I do not believe the producer will derive a cent of benefit.

For many years there has been a persistent agitation waged by the fruit and vegetable growers. They, like the producers of butter, thought that a little protection would benefit their industry, and so far they have been successful. Now, in return, that policy has had an effect more far-reaching than they ever dreamed and with consequences so hazardous that they begin now to tremble. As I have said before, you must be prepared for strange sequels once you begin to wallow in the protectionist trough. One often hears the statement made that the imposition of a tariff does not increase the price to the consumer. In this present instance we have an illuminating and striking example of the actions of those who seek and invoke tariff protection. It has been reported that the fruit jobbers have increased the price of oranges by ten cents per dozen. An outcry was raised immediately, yet the plain truth is that oranges are not included in the budget proposal: they are in the same position as they were prior to its introduction. I have been informed that there is a scarcity of oranges, but I wish the consumer in western Canada could be convinced of that. Does western Canada realize what will ensue if they begin to flirt with tariff protection? I believe that the effect of the tariff on fruits and vegetables undoubtedly will qualify and reconsolidate low tariff opinion in the west.

The Conservatives cannot complain; it is their doctrine. If they were in power they would unhesitatingly increase the tariffs in every direction. So far as we in the west are concerned, we hope that the lesson derived from this temporary tariff expedient will demonstrate the folly of the principle of protection. So far as I am concerned personally, I must oppose the principle involved in these items. I cannot ask for protection on butter in one breath, and in the next seek free trade in fruits and vegetables. The policy

hitherto obtaining in the west is the only policy suitable to that section of the country—instead of an increasing there shall be a lessening of the burden of the farmers. The grain situation has impaired the revenues of the government, a deficiency in purchasing power has been caused by extraordinary world conditions, and instead of burdening the farmers, relief should be offered to them if they are to live and prosper, and that prosperity cannot be achieved by protection.

This budget contains a variety of items so complex in their character, so diversified in their application that it is impossible to say yea or nay to the budget as a whole. I can support many of the items, but there are others of which I cannot foretell the effect. I doubt if there is a single hon. member in this house who can truthfully say that he knows what will be the effect of all these items. He cannot know that until they have been thoroughly explained. I venture to say that no budget at any time, and certainly not this one, could be answered by yea or nay, and yet we are faced with that necessity. The thought has been expressed in this house many times that there is a better way of dealing with this matter, to have all the items discussed and then a vote taken. In that way we could give a yea or nay, but at the present time all that we know is that we are faced with a proposition which is bound to have far-reaching effects upon the economic life of this country, and in particular upon the economic life of western Canada. I would hate to turn down anything which might be of benefit, but I am faced with the necessity of making a decision on certain principles, the effect of which we do not know. The budget should be put before the house in such a way as to permit intelligent discussion.

I am not satisfied with all the provisions of the budget, but I am convinced that there are many things in it which will be of incalculable benefit to the country. What does that reservation mean? It means that I must support the budget.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Oh, oh!

Mr. GLEN: Wait a minute. I said that it meant I must support the budget. In the past, at times the attitude toward the general principle of the budget has been indicated by the vote given upon it. Let me unhesitatingly say that there can be no acceptance of a general principle in a budget of this character because of its far-reaching and complex effect. I have said what I will do and I propose to do it.

[Mr. Glen.]

Some hon. MEMBERS: Oh, oh!

Mr. GLEN: I do not think the Conservatives have any reason to complain because they have stated they must have an opportunity of discussing all the items comprised in the budget. I have not heard any members on the Conservative benches state that they understood all the budget and that they could say yea or nay. I know from information gleaned in the lobbies, many members on the Tory side are just as concerned about the budget proposals as any member on this side. I know many members of the Tory party who, if they had an opportunity, and if they consulted their own interests, would vote against their party, but like the rest of us they have to wait until the house goes into committee to ascertain just exactly what the proposals mean. For that reason I am explicitly stating that I do not accept the general principle as contained in the budget as we know it. I shall therefore oppose the subamendment; I shall certainly oppose the amendment and I shall vote for the house to go into committee on the budget proposals.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I have listened with much pleasure, as I always do, to the remarks of the hon. member for Marquette (Mr. Glen). I feel a good deal as he does, but I have reached a somewhat different conclusion from his. In order to make myself clear I shall state at once how I propose to vote. I propose to vote against the subamendment moved by the hon. member for Last Mountain (Mr. Fansher) because it contains a principle and a policy which I have always opposed. I am going to vote against the oratorical sentence which is supposed to express the policy of the Conservative party because it leads nowhere and is a mere election phrase. I propose to abstain from voting upon the main motion—

Some hon. MEMBERS: Oh, oh!

Mr. BOURASSA: —largely for the reasons that have been advanced by the hon. member for Marquette. There are in the budget some features that I approve; there are some that I cannot approve; and the budget as a whole is so involved that I have been unable so far to work out the proportion between good and bad. Therefore I shall do as most of the people in the country will have to do—wait for a month or so of study and discussion before I make up my mind.

The only two features upon which I desire to express my opinion are the proposals styled the countervailing duties, and the increase in

the British preference. Both are protectionist measures. One is a measure of Canadian protection and the other is a measure of English or Imperial protection. I have never been a free trader in principle and therefore I do not feel pangs of conscience as some of my hon. friends on this side of the house do in either supporting or opposing this dual protectionist budget.

As regards the countervailing duties I say, perhaps somewhat cynically, that I think they commend themselves to the attention of the house and ought not to be opposed, mainly because they are demanded, not in all parts of the country, but generally by the country; and under our system of government I believe it is the duty of the government to listen to the voice of the people unless that voice demands something absolutely contrary to public interest. Like the hon. member for Marquette I do not believe the imposition of these countervailing duties will relieve the situation of the farmers to the extent that some of them seem to expect. I would rather be inclined to think the suggestion propounded on many occasions by the late member for Laprairie, Mr. Lanctot, namely, the imposition of a seasonal tariff, taking into account differences in climate and therefore differences in production, importation and consumption, would have been a sounder basis for such a policy. Words have been exchanged between both sides of the house as to the principle and the effect of this new policy. Hon. gentlemen opposite have endeavoured to contrast it with the policy once suggested by their former leader, Mr. Meighen. I think they have made a mistake. This policy is precisely Mr. Meighen's policy; it is undoubtedly a brick for brick policy, under a new name. It is like the endeavour in England to conceal the measure of protection that was adopted under the term "safeguarding of industry." It is like the gymnastics into which the various delegates of the Conservative party entered at their Winnipeg convention in order to secure an approval of their fiscal policy without mentioning the word "protection." Of course it is a policy of retaliation. The question is whether it is legitimate or not. The fact that members on that side or this side approved or disapproved of that policy five, ten or twenty-five years ago, has nothing to do with the matter. The question is whether it is the proper policy to adopt now in the interests of the people of Canada. I am not quite sure as to that; but I know that a large and growing number of people in Canada, east and west, in British Columbia, Quebec, Ontario and the maritime provinces, are asking for it. Frankly I would rather have it in this way than in the form of a general increase in the tariff upon those products. In a sense, it is an open avowal of the futility of our efforts in the past to secure fair treatment from the United States government; but at the same time it leaves the door open to better terms. It has been stated that this is a made-in-Washington tariff. The leader of the opposition (Mr. Bennett) especially made a very effective use, so far as what I will call skin feeling is concerned, of that expression. Of course that is childish. The brick-for-brick policy of Mr. Meighen was equally a tariff made in Washington.

Mr. SPENCE: No.

Mr. BOURASSA: Yes. it meant that Mr. Meighen and his party were prepared to raise our tariff brick for brick as the people of the United States raised theirs. Call it brick for brick, retaliation, countervailing duties, or what you will, the moment that this parliament, which is always master of its acts, decides to change its tariff policy according to changes made by another country, call your policy whatever name you like, baptize it in whatever creed you belong to, the principle is that you change your tariff according to the position taken by another country. And it is not altogether wrong; that is, if you do not make a religion of free trade. I have one religion which I hope is sufficient for the salvation of my soul, provided I make use of it, and I have never tried to make of any economic or political creed a religion. I admit that I am an opportunist in these matters and that I am prepared to change economic policies according to the economic changes that take place in this country and the rest of the world. Therefore, so far as that part of the budget is concerned, I would have no objection in supporting the policy of the government.

Whether it will create a great effect in the United States or not I do not know, and it is no surprise that an ignorant individual like myself should hesitate at pronouncing an opinion upon that point when I find these two contradictory expressions of opinion in the gospel book of the great Tory party. I quote from the first leading editorial on page 12 of the Montreal Gazette of the 12th of May, this short sentence:

> United States opinion is that Canada's countervailing duties will do no harm to American trade.

In other words, according to the opinion expressed by the editors of the Montreal Gazette, or imposed upon the editors of the Montreal Gazette by the leader of their party or by the leaders of finance in Montreal,

countervailing duties will have no effect upon the exportation of American goods to Canada. But in the same issue of the same paper, on page 13, just the opposite page, I find this message, not a press message, but a message from a special correspondent of the Gazette in Washington:

> An analysis of the new Canadian tariff law revised to foster empire trade, which would adversely affect American trade with Canada probably to the amount of $225,000,000, was made public to-night by the Department of Commerce of the United States. The analysis is based on telegraphic despatches from Commercial Attaché Lynn W. Meekins, and Assistant Trade Commissioner A. H. Thiemann, at Ottawa.

So here you have in the same issue the opinion that these duties will not affect the trade of the United States, and on the other hand the opinion based on the reports of representatives of the United States in Canada that they will adversely affect American trade to the amount of $225,000,000. Quite a contradiction. The future will demonstrate which of the opinions is right. Nevertheless, I repeat, I think the government did right in this matter, to lend itself to the incessant demand of the fruit producers as well as a large number of farmers, especially those engaged in the dairy industry.

As to the other part of the budget dealing with the British preference, the reason why I shall vote against the subamendment of the hon. member for Last Mountain (Mr. Fansher) is the reason why I cannot support this part of the budget. It has been stated by one of our good friends from the west (Mr. McPhee), to whose speech last night I listened with much pleasure, that this is a prolongation of the policy adopted by Sir Wilfrid Laurier and Mr. Fielding. Well, let us understand which policy, because there were two decisive phases in the adoption and pursuance of that British preference policy. I was in parliament when we passed from one phase to the other and therefore I know a little of what I am talking about.

In 1897, Mr. Fielding brought down in his budget the first preferential tariff ever introduced in this country. Under its provisions, favoured treatment was granted to goods imported from Great Britain and from any other country, British or foreign, offering to Canada special trade advantages. That was, I thought, a good basis for increasing our international trade. Although the British people and the British government granted us no special favours, although they treated our products in the same manner as they treated their imports from all other countries on earth, so long as Great Britain constituted our best market for our exports I thought that that was a good policy and I supported it.

But in 1900, three years later, in the midst of our first fits of imperial frenzy, at the suggestion of Mr. Russell, then the member for Halifax and now Judge Russell, a dear friend of mine, but a staunch and exalted imperialist, the government changed the basis of their policy. They adopted a three-cornered tariff, so to speak; one tariff applying to Great Britain and other British countries, on grounds of sentiment; another, the intermediate tariff, applying to countries which offered us equal advantages in trade, which was a businesslike principle; and a third tariff applied against all other countries. I could not see why sentiment should be introduced into a policy of that kind, and I voted against it, to the great scandal of my Liberal friends and to the great annoyance of the Tories who did not want to have anything to do with such a heretic as I was. Then and ever since, I stated that as a Canadian I think that the people in the world with whom we have the most interest in dealing are the British people, that they are the finest traders in the world; but also, that the worst manner in which we Canadians or any people on earth can meet the British in matters of trade is to introduce that form of mugwash sentiment which we introduced in 1900, and which has never been reciprocated by the British. Thank heaven, they continue to give us lessons in common sense and in the right spirit of business; and I think that the best way in which we can prove our loyalty to British institutions and British traditions is to trade with the British on the same basis on which they are prepared to trade with us or anybody else. A couple of years afterwards our own people began to open their eyes.

Mr. CAMPBELL: Does the hon. gentleman suggest that we should have free trade with Great Britain?

Mr. BOURASSA: Oh, no.

Mr. CAMPBELL: That is what was implied.

Mr. BOURASSA: Just wait a second. Two years later the first fever of love was somewhat abated, the more so because it was not reciprocated. I do not know who it was that said that the most inflamed passion cannot continue to exist unless it is sustained by two parties at least, unless it is reciprocated. At the Imperial conference in 1902, Mr. Fielding, in London, gave warning to

Great Britain that unless she treated Canada and her producers in a somewhat different manner from that in which she treated all her other customers, Canada would retrace her steps. But we never retraced our steps. We went on keeping as the basis of our fiscal policy the policy of protection as against most nations, the policy of intermediate tariffs as against nations that offered us trade advantages, and a policy of unreciprocated preferences with regard to Great Britain, whether or not Great Britain gave preferences to the Dominion.

Now, the member for Last Mountain (Mr. Fansher) in introducing his amendment advocated—and the amendment carries out that idea—the granting of still more advantages to British trade, mainly the abrogating of the measure which was introduced last year by this government requiring that so-called British products should contain at least 50 per cent British labour and material. The idea I derived from reading the speech of the hon. gentleman is that if we go still further in that direction, if, for example, we enable the cotton spinners of Lancashire to drown our markets, to ruin our own cotton factories, the good people of the west will have a greater advantage in selling their products in the British market.

Mr. FANSHER (Last Mountain): Were these cotton industries ruined before February 1st, 1929?

Mr. BOURASSA: No.

Mr. FANSHER (Last Mountain): That is when the regulation came into effect.

Mr. BOURASSA: The hon. gentleman asks us to do away with the requirement that British products should contain at least 50 per cent British labour and material. I want to point out the dire illusion under which our western friends labour if they imagine that by doing some further favour to the cotton spinners of Lancashire they will get better treatment from the wheat buyers and millers of England and Scotland.

Mr. GARLAND (Bow River): Let me assure the hon. gentleman we have no illusions in that regard.

Mr. BOURASSA: Then what is the reason for the amendment, and why does the government increase the British preference, when there is no apparent sign whatever that the British government is prepared at the present time to grant us any more favourable treatment than it grants to the Germans, to the Italians, to the French, to the Japanese or to the Chinese? In this respect I would ask our western friends, and my Liberal friends generally to ponder over these paragraphs which were reproduced from the Toronto Star in the Free Press Evening Bulletin of Winnipeg of March 15th last. They appear in a very able review of the wheat situation by a gentleman of the name of Frederick Griffin.

Mr. GARLAND (Bow River): Will the hon. gentleman permit just one question?

Mr. BOURASSA: If my hon. friend will excuse me: Under the forty minute rule, and having to express views which do not coincide with those of any other group, I am somewhat handicapped.

Mr. GARLAND (Bow River): But the hon. gentleman leaves a wrong impression.

Mr. BOURASSA: There will be an opportunity to correct it. I am reading now these paragraphs:

> There has been much talk of the British miller—and in Winnipeg someone remarked that there is no one on earth as hard-headed as the Scottish cooperative miller who figures in this wheat picture. British millers have been blamed for screwing the wheat pool, for being out to smash cooperative selling on the part of the great mass of Canadian farmers.
>
> Perhaps they have been. If they have proven unsentimental, if they have failed to let the alleged imperial tie interfere with the chance to win dividends even to the extent of giving the British consumer at the old price an inferior loaf made from lower grade wheat without the old proportion of Canadian mixing, it must be said that they are merely giving an imitation of Greek meeting Greek. The wheat pool cannot be accused of sentimentality. The Canadian wheat producers have not been worrying much about the imperial effect when trying to extract the last possible cent per bushel from British and European consumers.
>
> This is said without sarcasm. It simply illustrates what the most emotional imperialist knows; that money talks a language that is not so much diplomatic as direct and that no amount of flag-waving can loosen up a pocketbook—at least in peace times.
>
> Great Britain—rather the British millers—simply took advantage of the European situation to turn the tables on Canada. For a number of years they have had to meet Canadian prices, and like it. Now they found the chance to make Canada meet theirs, and like it. All is fair in peace and trade, even between imperial brethren.

Now, this is the exact situation which presented itself at every conference at which those matters were discussed. A giant in mental and political strength compared with the lordly pigmy of to-day—who, thanks to his happy operations in cement-merging in Canada, is endeavouring to resurrect the old idea of Imperial economic unity—the late Joseph Chamberlain devoted the last years of his life in endeavouring to enthuse the British people over what he called an imperi-

ally minded policy. He did not succeed. During the war the Tories of England endeavoured to take advantage of the situation to advance in a more modest manner the idea of imperial economic unity. They failed. And to-day Lord Beaverbrook, with all his genius for cementing and cement, is dragging behind him, but only apparently and only to a certain degree, Mr. Stanley Baldwin. Mr. Baldwin is a shrewd Englishman of the old type, and I believe he will find ways of getting rid of Lord Beaverbrook, just as Mr. Lloyd George found means of getting rid of Lord Northcliffe in due time.

But taking the situation as it presents itself to-day, whether this increase in the British preference—not only without an assurance but without any indication on the part of the British government that they are prepared to do something reciprocally—will gather votes in Canada, I do not know. Apparently it has gathered some votes in West Fulham in favour of the candidate of the new Tory-Imperialist party. But what about the next imperial economic conference, when representatives of this country will go and meet the representatives of Great Britain and the other Dominions or sister nations? I am not quite sure that the Prime Minister of Canada will be any stronger in his dealings with Mr. Ramsay MacDonald by pluming himself on the compliments which he has received from Lord Beaverbrook. As far as I am concerned, disconnected from all parties as I am, there remains enough in me of the old Liberal to believe that the Liberal party and the Liberal government in Canada have something else to do than to strengthen the hands of the most Tory-Imperialist wing of the Tory party of England.

That is from the political point of view But from the economic point of view I was surprised to hear a sensible man like the Minister of Finance—one of the members of this house for whom I have the most respect and esteem—sensible Englishman as he is, speaking in that lofty—and childish—fashion of granting gratuitous favours to the poor, down trodden English nation, in no "spirit of petty bargaining." If the British communities to-day stand foremost on the five continents of the world it is not because of their deeds of conquest, it is not because of their political genius or their mental superiority. In all these matters they have had and still have their qualities and their deficiencies. They have committed their crimes and they have done their great deeds. If there is one thing which has made and sustained the greatness of the British nation for the last two centuries it is its bargaining spirit. Lord Rosebery once said in effect: "We quite foolishly took to heart for a number of years Napoleon's saying that 'England is a nation of shopkeepers.' Why did we not realize before that our source of greatness is our shopping spirit? The trouble is that so many people have learned our lessons and are becoming shopkeepers that to-day we have to drive the best bargains we can with the nations of the world." This, of course, is not a verbatim quotation.



Likewise, I think the best manner in which Canada can prove herself a true scion of old John Bull, a true chip of the old block, is to meet the British not in a "spirit of petty bargaining" but on a solid ground of fair play and good bargaining. It seems to me that if we wanted to offer some advantages in matters of trade to the British government and to the British people, we should have done as we have done with the Americans: put it on a conditional basis, not on a basis of "petty bargaining" but on a solid basis of fair play and sound bargaining. What reason have we to believe that if we lower all these duties, the British millers, who have for some years struggled with the wheat pool of Canada and have at last obtained the upper hand, are going to cease their purchasing of cheaper wheat in the Argentine and elsewhere, thereby lowering their own profits, just to enable the Lancashire weavers to ship a few more tons of their products to Canada? The British nation as a whole stands first for itself and fair play for others after it has served itself; likewise every branch of British trade and industry stands first for itself. Canada will not meet the English miller by bestowing favours upon the Lancashire cotton maker; Canada will not meet a trader in wheat which purchases in the cheapest market and sells for a profit to the highest bidder, by saying that she has granted favours to the makers of crockery in this or that English town.

It has been said that in order to minimise the emigration of unemployed from Great Britain to our shores we must increase the trade of Great Britain to such an extent that she will be able to keep her people at home. Well, surely nobody has seriously thought of that. The great crisis in Great Britain to-day is because of the fact that she is threatened—I do not say that she is fatally threatened, but I do say that Great Britain is threatened in her position as the trade centre of the world. Great Britain lived, prospered and grew, perhaps abnormally, because of her free trade policy, because of her shipping trade, because of her genius as a trading and travelling nation; she had succeeded in finding out and

tapping all the markets of the five continents from which she could draw the raw material necessary to maintain her industries, and to which she sent back her manufactured goods. That is the source of the trouble in India today, and it is the main source of the present Chinese difficulties; it is also one of the sources of the trouble in Russia. England's power is threatened because markets containing over a billion of human beings have cut off her trade; and some people here imagine that because we are going to buy a few more bales of cotton from Great Britain and threaten the existence of a few Canadian manufacturers, we are going to settle the affairs of Great Britain and take the place of all the Indians, Chinese, Russians, Bulgarians, Serbians, Turks, and all those clients of England upon whose trade England has thrived for fifty years, and the bulk of whose trade is now lost to England, or at least greatly handicapped? It is preposterous.

I sympathise with the English; I think the world would be worse if England disappeared, the world would suffer if English power were too greatly weakened. However, it is ridiculous, it is the thought of a parvenu or of a child who has not measured his strength, to imagine that we can settle the affairs of England. Let us rather come back to the thought which has been frequently expressed by the leader of this government and by the Minister of Justice (Mr Lapointe): Let us frame our policy first to suit ourselves, but frame it with an open eye, so that we may deal preferentially with people who are prepared to deal with us. I wish to state that there is no people on earth with whom I would rather deal, or with whom I would rather commune mentally or politically, than the British people: I refer of course to the true, broad British people, the British people with the world view. At the same time it is ridiculous to imagine that Britons are going to change their policies in order to suit us and to purchase our wheat. Therefore I think we should make our own conditions to suit ourselves, and approach the situation as we have approached the one affecting the United States. We should approach the English situation in a proper spirit.

Mr. GARLAND (Bow River): Have the English people any duty against our wheat?

Mr. BOURASSA: No, it is not a question of duty.

Mr. GARLAND (Bow River): Oh yes, it is.

Mr. BOURASSA: No, that was the mistake made by the old Tory-Imperialist group. It is the mistake of the present Tory group, the allies of this government, Lord Beaverbrook and his friends. The English people will not stand the imposition of a duty on food articles, at least for years to come. It is a question of trade; and I think we should approach the British government next fall with fair trade proposals instead of giving in advance a certain favour to this fabric and a certain favour to that. We should approach the English government by saying that in Canada we are prepared to foster the importation of British goods generally, provided we know what they are prepared to do for us. In that way we might obtain favourable trade arrangements and have Great Britain buy our wheat instead of that of the Argentine and other countries. We should not approach this matter "in a petty bargaining spirit," as the finance minister has chosen to call it, but rather on the basis of fair dealing between two countries who respect each other and who respect themselves first.

Mr. LENNOX: That is a sound business proposition.

Mr. BOURASSA: I think it is, but I admit I am not a business man. I know it is useless to express my view, but I would suggest that next fall we should send two sets of representatives to the Imperal conference. To go on with the magnificent work of political emancipation which has not been too much eulogized on this side of the house, we should send the Prime Minister and the Minister of Justice; and we should send the member for Vancouver Centre (Mr. Stevens) to deal with matters of business. It might be asked why the leader of the opposition should not be sent.

Mr. LENNOX: Oh, he is going.

Mr. BOURASSA: I would not do that if I were you, because he might remain there; they might keep him to be an ornament to the House of Lords, if he is prepared to pay the price. I do not know whether prices have gone up since the Liberal government went out of office—

Mr. LENNOX: It would be a great thing for the British government.

Mr. BOURASSA: That is a matter of opinion. I simply say that the leader of the opposition moved me as he moved the house --I saw some of the ministers applauding him —when he made his bold statement of Canada first. Of course, I applauded him, because that reminded me of old days, when both Liberals and Conservatives stood for Canada first. Then came the day when there was a

rivalry between the two parties as to which would sacrifice Canada for the empire more than the other; and then came the day when a future leader of the Conservative party boasted, and his boast was advertised from the Pacific to the Atlantic, that he was prepared to bankrupt Canada to save the empire.

Those were days of imperial drunkenness. Everyone gets drunk once in a while, even people who drink only cold water. I give this warning to my dear friends to my left: Let them not allow their opponents to resurrect and monopolize the old "Canada first" policy; because in spite of all the changes of government and policy, they may rest assured of one thing: In the breasts of all true Canadians, whether they are of English, Scottish, Irish, French, Polish or any other origin, there is one sentiment which in the long run will prevail over all others, in politics as well as in economics. That sentiment is "Canada first and the empire afterwards."

Mr. FINLAY MacDONALD (South Cape Breton): Mr. Speaker, I may begin what I have to say this afternoon by expressing my envy of the two previous speakers. I wish I could approach this subject as they did. I am heartily in accord with the idea advanced by the hon. member for Marquette (Mr. Glen); I think it will commend itself to the judgment of this house, and this budget brings the matter right to a head. As the hon. member has said, this budget contains a number of proposals with which members on both sides do not agree. If we could discuss these items among ourselves before being obliged to swallow the budget as a whole I think many of us in this house would be more comfortable this afternoon. For my part, under ordinary circumstances I would hesitate to take up the time of the house at all, but the circumstances surrounding this budget are so peculiar that I feel that I really must make a statement to the house as to the position I intend to take.

I may say in beginning that I think the budget presented this year is without a parallel in Canadian political history, although I understand that there have been two or three occasions in British history when the government of the day simply took the policy which had been advocated by the opposition, made it their own and appealed to the people. This is an exceedingly difficult position; it is a regular paradox to find the government of the day appealing to the people to support them because they are now adopting policies to which they have been opposed for some years. It must be confusing to the man on the street, in whose mind the two parties have been associated with particular policies; now he finds that the party with which he associated one set of policies has taken an about face and is appealing for his support on the policies which have been advocated by the opposition. I think the man on the street will be largely influenced by his own judgment, because after all the general level of intelligence in Canada is fairly high. If these policies now being submitted by the government commend themselves to the people, I think the people will see to it that the party which promulgated these policies in the first instance will be the party entrusted with their administration.

Now I want to refer to a statement made by the right hon. Prime Minister on February 24 of this year, which will be found at page 47 of Hansard. He was referring then to the record of his government during the last nine years, and he referred to what he had done for the relief of the maritime provinces. This is what he said:

> Reference is made to the maritime provinces. When we came into office we found a condition of unrest in the maritimes. It was the most serious situation with which the country was then faced. We appointed a commission to look into conditions there, and we acted on the report of that commission in very considerable detail. A very little still remains to be done, and I hope that before we are through hon. gentlemen may find that the report has been implemented in all particulars.

The right hon. gentleman overlooked some very salient facts in that connection. This government did come into power in 1921, with a solid contingent of Liberals from the province of Nova Scotia. There was not a Conservative elected from that province, and from 1921 to 1925 the Prime Minister sat in this house with a solid Nova Scotia representation behind him, but not one peep ever came from any member representing that province with regard to the grievances of the maritimes. The Prime Minister was right in saying that there was unrest in the maritimes in 1921, very grievous unrest, which grew until it culminated in the provincial and federal elections of 1925. The provincial Liberal government, which had been in power in Nova Scotia for forty years, was swept into the discard; when it went to the country there were forty Liberals in the house with only three Conservatives, but the figures were reversed after the election.

Then what happened? During the first session of the legislature a resolution was adopted dealing with matters as they then

stood in that province, which resolution is to be found at page 51 of the brief prepared by the province. It is as follows:

Whereas Nova Scotia in entering confederation made possible the unification and consolidation of a British Dominion on this continent;

And whereas at that time certain pledges were given that such measures would be undertaken and such policies pursued as would ensure for the future a satisfactory economic position for this province;

And whereas the pledges given have been disregarded, as a result of which Nova Scotia has not shared in equal measure the prosperity enjoyed by the Dominion as a whole;

And whereas the government is now engaged in preparing a memorandum setting forth in detail the claims of the province with the object in view of seeking such adequate redress as will ensure a return of contentment and prosperity to our people;

Therefore be it resolved that this house approves of the action now being taken by the government;

And be it further resolved that such memorandum be presented by the government to the federal government, with the assurance that the people of this province believe that adequate remedies exist and must be applied.

That resolution was passed on March 12, 1926. In the speech from the throne delivered in 1926, the government of that day, headed by the present Prime Minister, declared its intention to appoint a commission. That was not our idea of the manner in which to approach this question. The government of Nova Scotia at great cost had prepared an elaborate brief and it was their desire to present that brief to the government. However, there was a difference of opinion; the maritime members insisted that this matter should be presented to the government, and the government and its followers insisted upon the matter being referred to a commission. That commission was appointed some months afterwards, on April 17, 1926, a month or so after this resolution was passed in the provincial house. That commission sat and made its report in September of 1926, and from that day to this the maritime members have been insisting that the recommendations contained in that report should be implemented by this government. Whatever benefits have accrued to the maritime provinces as a result of the Duncan commission are due entirely to the insistent and persistent efforts made by the Conservative members from 1926 onward, and we find one more recommendation being implemented in the present budget. Do not let it be thought that all the recommendations contained in the Duncan report have been implemented; they have not. Some have, and for those I suppose we should be duly grateful, but the adoption of a national fuel policy whereby this country could be made independent of any other country in the matter of fuel has not been decided upon by this government.

I think we were all, and I know I was, rather favourably impressed by the Minister of Finance (Mr. Dunning) in his presentation of the budget on May 1. At that time I thought that the minister had succeeded in putting over a very tricky budget. However, as he delivered his speech and when I saw the demonstrations which followed, I changed my opinion. There were certain provisions in the budget which appealed to members on both sides of the house. There were others which caused considerable surprise, but when I looked at the faces of the hon. gentlemen opposite during the presentation of that budget, if they expressed joyful surprise then I do not know the meaning of the word "consternation." That first favourable impression has been largely discounted. A practice has grown up in recent years amongst certain literary men, known as debunking. Certain gentlemen are pulling down idols which have existed for some time, and destroying traditions which have been handed down for many years. They endeavour to show that the idols have feet of clay, and the traditions have no foundation in fact. The same thing has happened with regard to this budget. A debunking process has been going on ever since it was presented, and it is now found that the whole thing was an illusion.

I was particularly interested in the provisions dealing with the iron and steel industry, but there is not a man living, as far as I can learn, who can give an intelligent interpretation as to the meaning of those provisions. I spent half a day going over the items, but I had to give it up in despair. I got in touch with some of the leading steel executives of this country, but they told me quite frankly that they did not know what they meant and that it would take a year or two to find the real effects. I am in receipt of telegrams which claim that the proposed item 380, which permits fabricated steel to enter this country under the British preferential tariff on payment of 10 per cent duty will put the steel fabricators of Sydney out of business. Other steel executives state that on the whole they are satisfied.

There is one provision in the budget which commends itself to me, that with regard to the payment of a bonus on coal used in iron and steel production. That provision is contained in the last paragraph of the budget speech, which reads:

Resolved, that it is expedient to introduce a measure to provide for the payment out of the consolidated revenue fund of forty-nine and one-half cents per ton on bituminous coal mined

in Canada and converted into coke in Canada and used in the smelting of iron from ore, or in the production of steel.

The very first thing to be noted with regard to that is that it is not in the terms of the Duncan report. Just whether the matter is important or not I do not pretend to say, but there is a strong impression in many places that there is a great difference between the Duncan report recommendations and the reference in the budget speech. The Duncan report states at page 38:

> Having regard to the bounty system previously applied, and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

As I have said, so far as I am concerned that is the important feature in this budget. What I am going to say now is directed principally to the Minister of Labour (Mr. Heenan). I am sorry he is not in his seat, because what I am going to say is intended to afford him an opportunity, the opportunity of his life, to do something for the labouring men employed in the steel industry of Cape Breton. I want to point out first the ground upon which this bounty is given, the basis for its recommendation. This will be found on page 37 of the Duncan report as follows:

> We were asked to recommend that a bounty should be again made available. In this connection we have thought it right to give consideration to a point which was emphasized in the course of the evidence, viz.:—that a drawback of 99 per cent of the duty is given when imported coal is used for metallurgical purposes, and that this is tantamount to giving a bonus of that amount, since it means that the Dominion is yielding up money which otherwise under its general policy in regard to bituminous coal would accrue to it.

The basis of that recommendation is that the Cape Breton steel industry should be put on the same footing as the other Canadian industries. What I want to call the attention of the Minister of Labour to is this, that some of these other Canadian industries are now adopting the eight hour day and if the Cape Breton steel industry is to be put on an even footing with the other Canadian concerns, there should be some provision for the adoption of the eight hour day.

There is another consideration that I desire to offer to the Minister of Labour. During the last three years the steel company at Sydney has been in the hands of a receiver. According to the reports made for that receiver, that concern has been earning more than $2,000,000 a year over its operating expenses. Of course the receiver does not



have to pay any interest on bonds or dividends to stockholders or anything of that sort. That situation is all right for the company, but how about the men employed there, men employed for two or three days a week, men deprived of employment altogether, 500 men thrown out of employment within the last few months, with repeated applications made to the city council of Sydney for relief and to start city work in order to give those people enough to eat. I have in my hand a letter from the president of the Trades and Labour Council who was employed there. He has been working only three days a week and his total pay, January 1 to April 24, has been $144. That man's case is typical; with a family of five he has been working for over three months at less than $40 a month.

The point I want to bring home to the government is this: we have a saying down in our part of the country that there is no necessity for greasing a fat pig. That company is now making money; it has the money in its treasury. Let us see that that money is used for two purposes: first, to increase the wages of the men, and, second, to shorten their hours of labour. There is no excuse in this case of getting behind the constitutional question and saying that the constitution prevents this being done. The government has the money and it can tie it up with whatever strings it wants to when it gives it to the company. This is the opportunity of a lifetime for the Minister of Labour and the government to do something. I represent in this house the workers in that steel industry and I say to the government without reserve: Let them give me the assurance now that they will devote this money to increasing wages and I will vote for the budget. We have not a minister present who is able to reply. During the whole course of this debate the front benches have been occupied by only one or two ministers, sometimes awake and sometimes asleep. There is no getting away from this challenge. I am not taking anybody by surprise, because to-day I informed the Prime Minister that I would ask him this question across the floor of the house. Let them give me the assurance that they will devote this money or a portion of it to affording these people a living wage and I will vote for the budget; otherwise I will not. This is a serious matter for me. For the first time in twenty-five years my chief and I have had a difference of opinion. He knows and I know how serious that is, but I have to tell him to-day that such will be my course if the government will give me that assurance, and there is no minister present to give it.

With regard to the amendment I subscribe to every paragraph of the amendment moved by my leader. I have no confidence in the government, but I am prepared to give them my support on the budget if they will give me that assurance. Either they are going to help the men employed in that concern or they are going to help a concern that does not need it. I am in this position. I am pledged to these men. I have given them my assurance that anything that comes down for their assistance, either steel or coal, will have my support in this house no matter whether it comes from the Grits or the Tories, and that pledge I am going to keep. I know that this party is entitled to whatever credit comes from the implementing of the Duncan report, and I know that when this party comes into power after the next election, as come it will, this portion of the report will be implemented in full, and we will go even further and carry out the recommendations that we all want with regard to a fuel policy. Just now I feel that I want to support this particular clause in the budget, but I connot do so unless I support the whole budget. That is the same point that was raised by the hon. member for Marquette (Mr. Glen). I want to support this particular clause, but to do so I have to swallow the whole budget, and I am prepared to do that if the government will give me the assurance that I have asked for. Will they do it?

I rather envy the position taken by the hon. member for Labelle (Mr. Bourassa) who has just preceded me. He is going to vote one way on one amendment, one way on another amendment, and then take to the woods on the main motion.

Some hon. MEMBERS: Oh, oh.

Mr. MacDONALD (Cape Breton): Hon. members may laugh, but I must confess that that is a proceeding that strongly appeals to me. I am not going to vote for the amendment to the amendment, but if any assurance such as I have asked for is given to me, I will vote for the budget. I must have that assurance because I want this money for the men; I do not want it for the company.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, before addressing myself to the subject that is at present before the house, the budget statement which has been submitted by the hon. Minister of Finance (Mr. Dunning), I wish to discuss a subject which I consider to be of prime importance, and I wish to discuss it by way of addressing a few questions to the hon. leader of the opposition.



A few days ago the hon. member for Maple Creek (Mr. Bock) who, in spite of the sneers of the hon. member for York-Sunbury (Mr. Hanson), delivered a speech that had in it more humour and common sense combined than is usually the case with speeches in this house, drew the attention of the leader of the opposition (Mr. Bennett) to the fact that certain tactics were being pursued by the Conservative party in the province of Saskatchewan, and he asked the leader of the opposition if he endorsed those tactics. The hon. leader of the opposition has not given an answer to that question. I would say this, at least, that he cannot repudiate what is being done by his followers in Saskatchewan simply by going down somewhere in the province of Quebec and making a speech that would seem to be on entirely different lines. The answer must be given in the place where the offence is committed.

I have another question to ask the leader of the opposition. On two or three occasions it has been in my mind to bring this matter to the attention of the house, but I have hitherto refrained from doing so. Those occasions were when the leader of the opposition was declaiming against the sins of his opponents in regard to questions of political patronage. We have already had one illustration that would seem to show, at least, that the leader of the opposition has two standards of political morality, one for his friends and one for his opponents.

Mr. COTNAM: How many standards have you?

Mr. BROWN: What I want to know is, has the leader of the opposition two standards on this question of patronage, one for his friends and one for his opponents?

Mr. COTNAM: You are a good judge.

Mr. BROWN: Yes, I am a judge and I have formed my conclusions too, and I am going to express them.

Mr. BENNETT: Does the hon. gentleman wish an answer to the question he asked? I will answer him now. I hold in my hand volume 1, No. 2, of L'Action Liberale, which contains on its front page a picture of the Minister of Justice (Mr. Lapointe), under the heading, "A Great French-Canadian Politician."

Mr. BROWN: I am not going to have the hon. gentleman—

Mr. BENNETT: You asked for an answer and you are going to get it.

Mr. BROWN: I will get it a little later.

Mr. BENNETT: I cannot speak on it later. Inside is circulated a cartoon of a burning school with Premier Anderson beside it, and under the cartoon are the words:

Anderson. Conservative premier of Saskatchewan. Abominable fanatic supported by Orange Lodges and Ku Klux Klan. Furious iconoclast, he revives Julian The Apostate's action against the Christ. But, like him, he will be vanquished. This crab, political canker, wants to stir up against the Catholic minority and the teaching of French the most cruel and impious persecution of our history. He has expelled the nuns from schools kept up by our western brothers. And the Conservative party had not the courage to protest against it.

There is the minister's picture, there is the cartoon, and there is the paper circulated in Quebec by my hon. friend's friends.

Mr. LAPOINTE: I have given no money to that paper.

Mr. BROWN: Is it any wonder that it was circulated in Quebec in view of what is being done in Saskatchewan? The question I want to discuss at the moment, Mr. Speaker, is the question of political patronage. I am asking the leader of the opposition if he has two standards in this matter, one for his friends and one for his opponents. I am moved to discuss this matter because of a letter that appeared in the Ottawa Citizen this week, headed, "Mr. Dickie's Comment:"

To the Editor:—I have always been treated so fairly by your good self that I feel sure you will have corrected a slight inadvertency that crept into an excerpt of a report on my few remarks at Esquimalt Conservative picnic. I said in part: "When our party gets in power, if I am your member, I will at once consult with the various executives of this large constituency; will obtain and assemble their views, and bring my best judgment to bear on them; for most certainly the views of those who have borne the burden and heat of the day when we were out of power should be accorded every consideration. In this way a perfect machine could be built up, and it might be found necessary, as with a ship in distress, to jettison otherwise valuable cargo.

C. H. Dickie.

Victoria, B.C., Aug. 10, 1929.

I did not notice until to-day that it was dated August 10, 1929. I presume the editor of the Citizen had some purpose in reprinting the letter this week. But what I want to say is this, that although that letter is clothed in very euphemistic language, nevertheless it expressed one of the most vicious principles of political patronage. When I was a boy I found in my father's library a book on the Study of Words, by Archbishop Trench. For a good many years I did not bother to look into it, thinking it was one of those dry-as-dust books that would be of no interest to me. However, when little more than a boy I took occasion one day to read it and I found it an intensely interesting book. There was one chapter on history in words, and I remember there was another chapter on morality in words. I regret that when I went to the library I was not able to find the book, and not having seen it for forty years, perhaps I may be excused if I do not give exact quotations. But that chapter on morality in words has had an influence on my thinking during my whole life. The thought of that great writer on using smooth words to cover up an evil thing was expressed something like this:

How much better is it under all circumstances to use an ugly name for an ugly thing than to use a name that plays fast and loose with the fundamental principles of morality. Better call a thing by its real name than to use a term that glosses it over and makes it appear to be a good thing when it is really evil.

Now, let us examine this letter of the hon. gentleman:

—for most certainly the views of those who have borne the burden and heat of the day when we were out of power should be accorded every consideration. In this way a perfect machine could be built up and it might be found necessary, as with a ship in distress, to jettison otherwise valuable cargo.

If that means anything it means that if the Conservative machine is in distress, then valuable public servants shall be cast aside.

Mr. DICKIE: Might I interrupt the hon. gentleman just a moment?

Some hon. MEMBERS: No, no.

Mr. DICKIE: He has referred to me.

Mr. BROWN: This letter bears the hon. member's signature. I say again that if those words mean anything they mean that whenever the Conservative machine happens to be in distress every valuable public servant shall be cast aside.

Mr. DICKIE: Perhaps I may be considered to have been a little indiscreet in some of the language I used at that picnic, but I expresed my own views, views that I hold at the present time, and I was speaking at a picnic among hundreds of men who had applied without success for jobs in the dockyard. They had to produce red tickets from the Liberal party to get jobs. So I felt I knew to whom I was speaking.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Privilege.

Mr. DEPUTY SPEAKER: Order.

Mr. DICKIE: I am speaking on a question of privilege, sir.

Some hon. MEMBERS: Privilege.

Some hon. MEMBERS: Order.

Mr. DICKIE: I am speaking on a question of privilege, sir.

Mr. DEPUTY SPEAKER: If the hon. member is speaking on a question of privilege he is in order.

Mr. BROWN: Then I beg Your Honour to look at the clock.

Some hon. MEMBERS: Order.

Mr. DICKIE: I should like to explain to my hon. friend, who has taken such trouble in putting my views before the house, that that hon. gentleman, who has faced three or four different ways since I have known him in this house—

Mr. BROWN: This is not a matter of privilege, Mr. Speaker.

Some hon. MEMBERS: Sit down.

Mr. DEPUTY SPEAKER: Order. The hon. gentleman may state his question of privilege, but not enter into a discussion.

An hon. MEMBER: He is just coming to it.

Mr. DICKIE: I wish to say to my hon. friend, who has faced so many ways, that perhaps I have made a mistake or two from a party viewpoint, but I can tell him that the provocation was very, very great indeed in the district in which I was speaking.

Mr. LAPOINTE: That is not a question of privilege.

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: I think the hon. gentleman has stated his question of privilege.

An hon. MEMBER: No, he is just coming to it.

Mr. DICKIE: Just one moment, Your Honour. I think my people will bear me out in saying that in regard to applying for work I never asked any man what his political views were.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Privilege.

Mr. DICKIE: I have seen scores of returned soldiers with families to support refused work at the dockyard because they did not have a red ticket from the Liberal party.

Some hon. MEMBERS: Order.

Mr. BROWN: Mr. Speaker, I have made my point, I have secured from the hon. member for Nanaimo an admission of indiscretion. That he was extremely indiscreet I am prepared to admit. In view of this indiscretion, what does the hon. leader of the opposition intend to do in the matter? I would say that what he should do would be to take the hon. member for Nanaimo aside and give him a lesson in political morality.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: Undoubtedly what he will do is take him aside and give him a curtain lecture.

Some hon. MEMBERS: Not at all.

Mr. BROWN: He will probably say to him: Don't write when you can talk; and don't talk when you can keep silent. He will probably add for the hon. gentleman's benefit that while speech is silver, silence is golden. He will probably tell him—

An hon. MEMBER: Tell us about the budget.

Mr. DEPUTY SPEAKER: Order.

Mr. BROWN: He will probably tell him that while a man's words may be capable of different interpretations, there is an advantage in silence because you can give your silence any interpretation you wish according to the exigencies of the moment. And the hon. leader of the opposition will probably point to his own illustrious example and say: Look at what I did; I was silent for four years on one question, and for three years on another question.

An hon. MEMBER: New Zealand butter.

Mr. DEPUTY SPEAKER: Order.

Mr. BROWN: Finally, the hon. leader of the opposition probably will say to the hon. member for Nanaimo, that since he is so lacking in discretion he had better not speak at picnics or write letters to the press. I think, Mr. Speaker, the house has a right to know whether the principles advocated by the hon. member for Nanaimo are endorsed by the leader of the opposition and his followers. Those who have heard me speak before in this house and who have paid any attention to what I have said will quite readily understand that there are some things in this budget and some principles expressed therein which in the past have not met with my approval.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: The announced purpose of the budget—

An hon. MEMBER: Right about face.

Mr. SPEAKER: Order.

Mr. BROWN: I heartily agree with the purpose announced in the budget of extending trade within the British Empire. Whether it will accomplish the purpose intended is of course a matter regarding which there are differences of opinion. There are those who contend that it will and there are others who contend that it will not.

An hon. MEMBER: What do you say about it?

Mr. BROWN: A year ago the then Minister of Finance, the late Mr. Robb, made the statement of policy that in view of the attitude of the people of the United States it would be our policy to seek trade with those who would trade with us. In spite of the fact that I have always opposed the raising of tariffs I recognized at that time that if trade were to be diverted from one channel to another it would probably be necessary in some cases to raise the general tariff rates.

An hon. MEMBER: One hundred per cent.

Mr. BROWN: The possibilities of diverting trade through the use of tariffs have been brought to my notice on two occasions during this session. A short time ago when I spoke on the Australian treaty, which had for its purpose the diverting to Australia of trade in raisins and currents, I pointed out that in the case of currants, by putting on a duty of 3 cents a pound we had diverted from Greece to Australia practically the whole trade in currants. Whether or not the diversion of that trade was a wise policy is not at the moment a matter of importance. There are some considerations which might be urged to the effect that it would be wise for us to continue our trade relations with Greece. However, that is not the point we are discussing at the present time.

An hon. MEMBER: It is in the budget.

Mr. BROWN: When the West Indies treaty was passed a few years ago it contained a provision whereby we put a duty of 50 cents a bunch on bananas, and allowed them to come in free if they came by way of the maritime ports. I was not particularly enthusiastic about the treaty at the time, and I felt doubtful whether we in the west were not likely to bear an additional burden. I was doubtful whether bananas would move to the west by way of the maritime ports. There are indications however that bananas coming from the West Indies to the maritime ports are being carried well across Canada. There would seem to be an indication that the American companies shipping bananas through the Mississippi valley to the prairies were absorbing that duty of 50 cents a bunch. I now recognize that there is the possibility of a tariff being used without burdening the Canadian people, if it is used to divert trade from one channel to another.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: In fairness, the hon. gentleman will be entitled to speak longer than his allotted time if the interruptions are continued.

An hon. MEMBER: Give him two hours.

Mr. BROWN: I agree entirely with the finance minister when he speaks of the spirit in which these preferences are offered. I do not wish to approach the British people in a bargaining spirit. In the past we have offered them certain preferences in our market and I believe that we can do that to-day. I would point out that my hon. friend the leader of the opposition and some of his lieutenants have practically said that we will give no preference to the British people unless we can get a quid pro quo. They say in one breath that we do not wish to dictate to the people of Great Britain, and in the next that if Great Britain will not give us some preference in her markets she cannot expect to receive preference in ours. As between the attitude expressed by the Minister of Finance and that expressed by several hon. members of the opposition, I have no hesitation in making my choice. I do not wish to be represented at the imperial economic conference by those who have expressed the sentiments which have come from across the house.

Mr. STEVENS: That would be a mutual agreement.

Mr. BROWN: The statements made by the hon. gentlemen opposite are by no means consistent; there are inconsistencies in their speeches. The leader of the opposition quoted a statement, which he said was the statement of a noted Conservative statesman, to the effect that a woollen mill in Canada is as good as a woollen mill in Yorkshire.

An hon. MEMBER: For the empire.

Mr. BROWN: I can agree with that statement.

Some hon. MEMBERS: Hear, hear.

Mr. BROWN: Will hon. members opposite reciprocate?

Some hon. MEMBERS: Certainly.

Mr. BROWN: Will hon. members opposite say that a woollen mill in Yorkshire is as good for the empire as a woollen mill in Canada? Certainly they will not reciprocate, and their hesitancy shows the hollowness of the claim they make when they say that they are anxious to maintain trade with the British Empire. I want to call the attention of the house to what I regard as misleading statements and arguments that have been used in the course of this debate. At first I had intended to refer to statements made by the leader of the opposition, and statements which have been repeated in this house for years back. It has been stated on numerous occasions that taxation has been increased.

An hon. MEMBER: Has the hon. member any conscience?

Mr. BROWN: They point to the fact that the total volume of revenue has increased. To my mind the Minister of the Interior (Mr. Stewart, Edmonton) most effectively answered that contention. He answered it, even if it is beyond the intelligence of hon. members of the opposition.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: All any government can do is to fix the rates of taxation.

An hon. MEMBER: They have fixed them, and they are going to change them.

Mr. BROWN: They may fix the rates of taxation, and as the years go by they may find that that taxation produces a greater volume of revenue than is required. They may then seek to reduce the rates, but in the very act of doing so they may increase the volume of revenue. I was brought up to believe, and I still hold to the belief in regard to custom duties, that in many cases it is possible to reduce the duties and yet increase the revenue. In one breath the leader of the opposition charged the government with having increased taxation, pointing to the volume of revenue, whereas in the next breath he criticized the government for not getting enough out of the income tax.

Mr. McGREGOR: Would the hon. gentleman permit a question? Does he believe this government intends to put these rates into effect?

Mr. BROWN: I did not catch the question, and I will not take time to answer. I was simply pointing out that in one breath the leader of the opposition condemned the government for increasing taxation, pointing to the greater volume of revenue, and in the next breath condemned them because there were not enough people paying income tax, and consequently there was not enough revenue being raised from that source. These are inconsistencies we cannot help but notice.

There was another fallacious argument advanced by the hon. member for Fort William (Mr. Manion) and the hon. member for Last Mountain (Mr. Fansher), during the course of the speech in which he moved the subamendment, fell into the same error. That is the claim made in some quarters that the only true index of tariff trend is the average duty collected. I simply say that is not true. That statement is based on a fallacy, because it fails to take into account the large number of unknown factors which of necessity enter into the problem.

Mr. KENNEDY: Would the hon. member suggest a truer basis for making a comparison?

Mr. BROWN: I say that fact should be clear—

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I cannot be led away from my speech to answer questions of that kind. I will say this, however: If you want to consider the question whether Great Britain is granted real preferences, you must consider those preferences as they apply to definite, specific articles. You cannot form a conclusion by dealing in averages, and that is the point I make. I say the fact that this conclusion is invalid is clear from the further fact that averages vary from year to year without changes being made in the tariff. When we are importing goods of various classes in varying quantities, some free and some dutiable; some at a high rate of duty and some at a low rate; some under ad valorem and some under specific duties, it is simply impossible to make any valid statement based upon these averages. The hon. member for Fort William practically admitted the truth of this statement when he pointed out that some people would want to exclude from this calculation the vast amount of free goods coming in from the United States. The hon. member was quite logical in excluding those goods, but he did not go far enough. He should also have taken into account the large amounts of goods which we, in our own interests, bring in from the United States under low tariffs.

Now let me point out that our imports from Great Britain include a large volume of alcoholic liquors, which volume increased from about $4,000,000 in 1918 to over $40,000,000 in 1929. The duty on the $40,000,000 worth of

alcoholic liquor imported from Great Britain during the fiscal year ending March 31, 1929, was almost $19,000,000, or at the rate of approximately 45 per cent. Surely everyone must recognize that because of that particular class of goods, with such a high percentage of duty, the average must be very materially affected. The fact of the matter is that if we exclude alcoholic liquors we will find that the average rate of duty on goods imported from Great Britain is less than the average rate on goods imported from the United States. I am not saying that this is particularly a matter for congratulation or otherwise, but that is the fact as nearly as I can arrive at it.

How would hon. members opposite correct that situation? Will any one of them say that we should correct it by reducing the duty on alcoholic liquors? I am certain the hon. member for Last Mountain will not say so. I know his attitude toward the liquor traffic and I know that his sentiments are very closely allied to my own. While we do not believe in high duties in general I know he does not want to correct what he thinks is an anomaly by lowering the duty on alcoholic liquors. Will any hon. gentleman opposite advocate that this should be done? Surely not.

Then there may be another way to correct it; we might increase the duties on goods coming from the United States. I know that method would appeal to hon. gentlemen immediately opposite, but would it appeal to the hon. member for Last Mountain? I think not. Of course he is aware that large quantities of agricultural implements enter Canada from the United States at very low rates of duty, and these rates are low because we deem it in our best interests that they should be low. Certainly the hon. member for Last Mountain would not wish to correct the situation to which he referred by raising the duty on agricultural implements or on any of those articles which come from the United States at low rates of duty.

I want to place on Hansard some figures bearing upon the subject which I have been discussing, so that hon. members who have endeavoured to follow the trend of my argument may read the figures for themselves and find out whether or not my argument is sound. I believe that the argument I have made to the house is valid in every respect. In 1908 we imported from Great Britain alcoholic liquors to the amount of $4,350,000; in 1915 the importations had grown to $15,770,805, and in 1929 the volume had increased to $40,314,856. The fact that there is a very high rate of duty imposed on this commodity must, of necessity, have considerable bearing upon the average rate of duty. No valid statement can be made based upon average duties.

I do not propose to detain the house much longer, but I must state that there are some features of the budget which do not appeal to me. As I have said again and again in this house and in the country, protection on agricultural products does not mean anything to the farmer. I have always objected to the imposition of such duties, not because the farmer has not a right to protection—there is no one who has more right—but because he will receive no benefits.

An hon. MEMBER: Why not give it to them?

Mr. BROWN: I do not object to the duties because they are high—they are not. The duties on dairy products are certainly not high when judged by the standard of protective tariffs. In the long run the farmer has nothing to gain from a system of protection, and while he has as much right to protection as anyone, it is unwise for him to link himself up with a system which will ultimately return nothing to him. This is shown by the experience of the farmers of the United States. That is the position which I have always taken and I have not changed my mind.

The government has to some extent yielded in its decision to give some protection on certain agricultural products. Time will show whether it has acted wisely or unwisely. For my part, I have not changed my opinion as to the expediency of those duties as considered from the farmer's standpoint. When I go before the electors, as possibly I may, I will say to them that my ideal of trade is that trade which is the freest possible exchange of goods among the nations of the world.

An hon. MEMBER: Including New Zealand butter.

Mr. BROWN: In the interests of Canada, in the interests of the British Empire, and in the interests of humanity, there should be the freest possible exchange of goods. That is an ideal which may not be realized for some time. Next to that, I would say that I believe in creating a sentiment among the people of the British Empire that it would be well for us to seek trade with each other. To my mind the British Empire is the greatest experiment in all history; it is an empire based not upon force—in the past empires which were based upon force have always fallen—and its strength will be in proportion to the elasticity of the bonds which bind us.

Mutual good will should be established between the different parts of the empire which would be beneficial to the empire as well as to mankind. I am heartily in accord with anything which will tend to promote those relations.

I will tell the farmers, as I have told them before, that I think a great mistake is being made when they seek relief through tariff protection. I will tell them that in so doing they are simply tying their hands or muzzling themselves. Perhaps Your Honour is familiar with that old English saying, that there are other ways of killing a dog than by choking it with butter.

An hon. MEMBER: That was a cat.

Mr. BROWN: It may seem absurd to talk about choking a dog with butter.

An hon. MEMBER: It was a cat.

Mr. BROWN: But figuratively, if not literally, the farmers can choke themselves with butter. They may so tie their hands—to change the figure—or muzzle themselves that they will not be in a position to protest against higher duties when they are imposed upon articles which are of prime necessity to them in carrying on their business.

Mr. BOYS: Does the hon. member propose to help them by his vote?

Mr. BROWN: Those are the sentiments which I will express to the people in my constituency, and it must rest with them to say whether I shall carry on in this house or out of the house.

The house divided on the amendment to the amendment (Mr. Fansher, Last Mountain)—

That all the words after "it is of opinion that" in the amendment in the 6th line thereof, be struck out and the following substituted therefor:—

"the government having definitely adopted the principle of increased protection, modified only by certain extensions of the British preference, it is to be regretted that more effective consideration has not been given to the position of agriculture and labour, but that, on the contrary, the changes made in the iron and steel schedules will result in an increased cost in respect of all structural work and the machinery of production, and further, that the best interests of Canada would be served by a more substantial increase in the British preference, particularly as affecting textiles and other articles of a similar character, together with a modification or abandonment of the regulations requiring a 50 per cent empire content which have largely nullified the effect of any preference given;

"That a much larger proportion of our revenues should be provided for through direct taxation, more especially through the income tax;

"We further wish to state our conviction that these and other changes in our fiscal policies are not of themselves a solution of our modern economic problems but that effective encouragement should be given to the development of cooperative principles, having regard to production, distribution and the utilization and control of credit."

—which was negatived on the following division:

YEAS

Messrs:

| | |
|---|---|
| Bird, | Irvine, |
| Campbell, | Jelliff, |
| Carmichael, | Kellner, |
| Coote, | Kennedy, |
| Evans, | Lucas, |
| Fansher (Last Mountain), | Luchkovich, |
| Gardiner, | Macphail (Miss), |
| Garland (Bow River), | Speakman, |
| Heaps, | Spencer, |
| | Woodsworth.—19. |

NAYS

Messrs:

| | |
|---|---|
| Allan, | Delisle, |
| Anderson (Toronto-High Park), | Denis, |
| Arthurs, | Desaulniers, |
| Bancroft, | Descoteaux, |
| Barber, | Deslauriers, |
| Beaubien, | Dickie, |
| Bell (Hamilton West), | Dionne, |
| Bell (St. Antoine), | Dumaine, |
| Bell (St. John-Albert), | Dunning, |
| Bennett, | Dupuis, |
| Benoit, | Dussault, |
| Bertrand, | Embury, |
| Bettez, | Ernst, |
| Bissett, | Esling, |
| Black (Yukon), | Fafard, |
| Black (Halifax), | Ferland, |
| Blanchard, | Fiset (Sir Eugène), |
| Blatchford, | Fraser, |
| Bock, | Garland (Carleton), |
| Boivin, | Geary, |
| Bothwell, | Gershaw, |
| Bouchard, | Gervais, |
| Boucher, | Girouard, |
| Boulanger, | Glen, |
| Bourassa, | Gott, |
| Bourgeois, | Goulet, |
| Bowen, | Gray, |
| Boys, | Grimmer, |
| Bradette, | Hall, |
| Brady, | Harris, |
| Brown, | Heenan, |
| Cahan, | Hocken, |
| Cahill, | Howden, |
| Cannon, | Hubbs, |
| Cantley, | Ilsley, |
| Cardin, | Jacobs, |
| Casgrain, | Jenkins, |
| Casselman, | Johnston (Long Lake), |
| Cayley, | Kaiser, |
| Chaplin, | Kay, |
| Charters, | King (Kootenay East), |
| Chevrier, | King, Mackenzie (Prince Albert), |
| Cotnam, | Lacroix, |
| Cowan, | Ladner, |
| Crerar, | Laflamme, |

Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Lawson,
Lennox,
Letellier,
Lovie,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacLean (Prince),
McLean (Melfort),
MacNutt,
McDiarmid,
McGibbon,
McGregor,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
McQuarrie,
McRae,
Malcolm,
Maloney,
Matthews,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morrissy,
Motherwell,
Neill,
O'Connor,
Parent,
Peck,
Perley (Sir George),
Perras,
Pettit,
Plunkett,
Pouliot,
Power,
Prévost,
Price,
Ralston,
Raymond,
Rennie,
Rinfret,
Robitaille,
Ross (Moose Jaw),
Rowe,
Rutherford,
Ryckman,
Ryerson,
Sanderson,
Séguin,
Senn,
Simpson,
Smith (Stormont),
Smoke,
Spankie,
Spence,
Steedsman,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stinson,
Stirling,
Taylor,
Telford,
Thompson,
Thorson,
Tobin,
Totzke,
Tummon,
Verville,
Ward,
White (London),
Wilson (Wentworth),
Young (Saskatoon),
Young (Toronto Northeast),
Young (Weyburn).—177.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Elliott,
Sinclair (Queens),
Veniot,
Duff,
Bowman,
Hay,
Baldwin,
Fontaine,
Euler,
St-Père,
Rhéaume,
Hepburn,
Roberge,
Lacombe,
Donnelly,
Odette,
Wilson (Vaudreuil),
Sylvestre,
Foster,
Vallance,
Edwards (Waterloo),
Jones,
Hanson,
Smith (Cumberland),
Hodgins,
Murphy,
Johnstone,
Anderson (Halton),
Manion,
Maybee,
Church,
Spotton,
Ross (Kingston),
Guthrie,
Quinn,
Robinson,
White (Mount Royal),
Fansher (Lambton),
Short,
Clark.



The house divided on the amendment (Mr. Bennett)—

That all the words after the word "That" be struck out, and the following substituted therefor:—

"while this house welcomes and approves of every measure that will afford to Canadian agriculture, industry and labour an equal opportunity and fair competition in the development of the rich and varied natural resources of the Dominion, and provide for the extension of inter-empire trade by mutually advantageous preferences and agreements, with due regard, in either case, to the interests of consumers, it is of opinion that the proposals which were submitted by the Minister of Finance on May 1, are in several important respects so completely at variance with the policies of this government, as heretofore declared by its official leaders in parliament and elsewhere, that this administration having lost the confidence of the country, cannot safely be entrusted with the direction of the fiscal policy of Canada nor the carrying into effect of proposals to which it has heretofore been opposed and which constitute a breach of its solemn pledges to the electorate, and which are deceptive, fail to estimate the financial results of their operations and which create distrust of and contempt for representative institutions."

—which was negatived on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cahan,
Cantley,
Chaplin,
Charters,
Cotnam,
Cowan,
Dickie,
Embury,
Ernst,
Esling,
Fraser,
Garland (Carleton),
Geary,
Gott,
Grimmer,
Harris,
Hocken,
Hubbs,
Kaiser,
Ladner,
Lawson,
Lennox,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacNutt,
McGibbon,
McGregor,
McQuarrie,
McRae,
Matthews,
Peck,
Pettit,
Price,
Rennie,
Rowe,
Ryerson,
Senn,
Simpson,
Smoke,
Spankie,
Spence,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London),
Wilson (Wentworth),
Young (Toronto Northeast).—64.

NAYS

Messrs:

Allan,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,

Bird,
Bissett,
Blanchard,
Blatchford,
Bock,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bourgeois,
Bradette,
Brown,
Cahill,
Campbell,
Cannon,
Cardin,
Carmichael,
Casgrain,
Cayley,
Chevrier,
Coote,
Crerar,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Dumaine,
Dunning,
Dupuis,
Dussault,
Evans,
Fafard,
Fansher (Last Mountain),
Ferland,
Fiset (Sir Eugène),
Gardiner,
Garland (Bow River),
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Gray,
Heaps,
Heenan,
Howden,
Ilsley,
Irvine,
Jacobs,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
Kellner,
Kennedy,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacroix,
Laflamme,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Lovie,
Lucas,
Luchkovich,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
Macphail (Miss),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morrissy,
Motherwell,
Neill,
O'Connor,
Parent,
Perras,
Pouliot,
Power,
Prévost,
Ralston,
Raymond,
Rinfret,
Robitaille,
Rutherford,
Sanderson,
Séguin,
Smith (Stormont),
Speakman,
Spencer,
Steedsman,
Stewart (Edmonton West),
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Verville,
Ward,
Woodsworth,
Young (Saskatoon),
Young (Weyburn).—124.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Marcil,
Elliott,
Sinclair (Queens),
Veniot,
Duff,
Bowman,
Hay,
Perley,
Edwards (Waterloo),
Jones,
Hanson,
Smith (Cumberland),
Hodgins,
Murphy,
Baldwin,
Fontaine,
Euler,
St-Père,
Morin,
Rhéaume,
Hepburn,
Roberge,
Lacombe,
Donnelly,
Odette,
Wilson (Vaudreuil),
Sylvestre,
Foster,
Guerin,
Ross (Moose Jaw),
Hall,
Vallance,
Howard,
Johnstone,
Anderson (Halton),
Manion,
Maybee,
Ryckman,
Church,
Spotton,
Ross (Kingston),
Guthrie,
Quinn,
Robinson,
White (Mount Royal),
Fansher (Lambton),
Short,
Maloney,
Plunkett,
Sinclair (Wellington),
Clark,
Casselman.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted, I would have voted against the subamendment and against the amendment.

Mr. MAYBEE: I was paired with the hon. member for Hochelaga (Mr. St-Père). Had I voted, I would have voted against the subamendment and for the amendment.

Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted against the subamendment and against the amendment.

Mr. SHORT: I was paired with the hon. member for Victoria-Carleton (Mr. Foster). Hal I voted, I would have voted against the subamendment and for the amendment.

Mr. RYCKMAN: I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Morin). Had I voted, I would have voted for the amendment.

Sir GEORGE PERLEY: I was paired with the hon. member for Bonaventure (Mr. Marcil). Had I voted, I would have voted for the amendment.

Mr. ROSS (Moose Jaw): I was paired with the hon. member for Victoria (Mr. Plunkett). Had I voted, I would have voted against the amendment.

Mr. ROSS (Kingston): I was paired with the hon. member for Mégantic (Mr. Roberge). Had I voted, I would have voted against the subamendment and for the amendment.

Mr. JOHNSTONE: I was paired with the hon. member for Stanstead (Mr. Baldwin). Had I voted, I would have voted against the subamendment and for the amendment.

Mr. RHEAUME: I was paired with the hon. member for Toronto Northwest (Mr. Church). Had I voted, I would have voted against the subamendment and against the amendment.

Mr. ANDERSON (Halton): I was paired with the hon. member for Hull (Mr. Fontaine). Had I voted, I would have voted against the subamendment and for the amendment.

Mr. MALONEY: I was paired with the hon. member for St. Ann (Mr. Guérin). Had I voted, I would have voted against the subamendment and for the amendment.

Mr. DONNELLY: I was paired with the hon. junior member for Halifax (Mr. Quinn). Had I voted, I would have voted against the subamendment and against the amendment.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: The question is on the main motion.

Mr. T. E. SIMPSON (West Algoma): Mr Speaker, having supported the amendment moved by the leader of the opposition (Mr. Bennett), thereby declaring my lack of confidence in the present government, I desire to make a very brief statement with respect to the main motion.

For several years past we on this side of the house have endeavoured to impress upon the government the necessity of extending some protection to the primary steel industry of this country which would at least provide for the industry an equal opportunity in our home markets in competition with the mass production of the highly specialized steel industries of the United States.

We have asked that assistance be given towards the development of the large deposits of low grade iron ore that are known to exist in this country which would enable the primary steel industries to obtain their supplies of raw material in Canada, providing employment for Canadian labour, rather than depending upon a supply from outside Canada, as they do to-day. We have asked for a revision of the steel schedule in the customs tariff; that an adjustment of tariff be made which would afford more adequate protection for some grades and shapes of primary steel now manufactured in this country.

[Mr. Johnstone.]

But nothing has been done, and during this time the imports of iron and steel and their products from the United States have enormously increased; the primary steel industries in Canada have been able to operate only part time, and many of our workers have been forced either to go to the United States to seek employment or to be content with working about three days a week. This can best be illustrated by a quotation from the brief submitted before the tariff board by the Algoma Steel Corporation in 1928, which in part reads as follows:

> During the seven years (1921 to 1928) our steel-making capacity has been employed only to the extent of 39 per cent of rated capacity, and in only one year did we exceed 50 per cent, viz.: the fiscal year ended June last. The increase in that year was due entirely to the increased demand for standard rails and fastenings.
>
> The salaries and wages paid during this period (1921 to 1928) amounted to $22,501,555.65, or an average of $3,214,507.95 per annum. Assuming full employment for our steel-making capacity, the additional wages paid within our own plant would amount to upwards of $2,000,000 per annum.

This would indicate that had we been given a proper fiscal policy during the past nine years, in my city alone an additional amount of $2,000,000 a year in wages might have been distributed among the workmen there, providing them with more steady employment and comforts for their families which many have not been able to enjoy.

The government now bring down a budget which contains several provisions to which I do not subscribe, but it does provide a certain measure of relief for the steel industry. It contains some things that we have been asking for, but they are several years too late. I am inclined to believe that the provisions contained in this budget have been adopted by the government as a matter of political expediency, and not from conviction, and I have no confidence in this government giving effect to this budget in a way that would be to the best advantage of the people of Canada. However, as the budget provides for certain changes in the customs tariff which will be of advantage to the steel industry in Canada, and on account of a promise which I have made to my constituents that I would support any legislation which would be beneficial to the industry, I, unlike the government in this regard, intend to keep faith with my people, and as a matter of personal honour will support the budget.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, I represent a Cape Breton constituency. With that island

I have been connected for three generations. I was elected as a supporter of the Conservative party. I have just voted for the amendment of that party declaring that, while certain of the proposals submitted by the Minister of Finance (Mr. Dunning) are acceptable, others represent a betrayal of the confidence of the Canadian people in the previously declared fiscal policy of the government. During my election I promised the men and women amongst whom I live and practise my profession that I would support any government that would give a bounty to coal used as coke in the production of iron and steel as recommended by the Duncan report. That recommendation reads as follows:

> It was pointed out to us that, at its inception, the Nova Scotia steel industry enjoyed national aid in the form of a bounty. This system of bounties prevailed for many years. We were asked to recommend that a bounty should be again made available. In this connection we have thought it right to give consideration to a point which was emphasized in the course of the evidence, viz.:—that a drawback of 99 per cent of the duty is given when imported coal is used for metallurgical purposes, and that this is tantamount to giving a bonus of that amount, since it means that the Dominion is yelding up money which otherwise under its general policy in regard to bituminous coal would accrue to it. While there are, no doubt, other angles from which this concession can be regarded, it does in its operation have the effect of a bonus, and it is difficult to see how the same bonus can be denied to native coal.
>
> Having regard to the bounty system previously applied, and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

That recommendation was made three years ago last September. I protest against the long delay in giving effect to it. Such delay has caused untold injury to my constituents and their families. But favouring as I do the payment of a bonus as recommended by the Duncan report, as a matter of personal honour I propose to vote for the motion and thereby keep my promise.

Mr. H. B. ADSHEAD (East Calgary): Mr. Speaker, unfortunately I was not in my seat when the divisions on the subamendment and the amendment were taken, as I did not expect when I left the house at a few minutes to six that any division would be taken until the house resumed at eight o'clock. I merely rise to express my opinion on the main motion and on the amendment and the subamendment. Had I voted I would have voted against the Conservative amendment and for the subamendment.

As regards the budget, I may say that I was first elected to this house on the principles of low tariff and free trade. I was painfully surprised during my first session to hear the member for, I think it was, Quebec-Montmorency (Mr. Lavigueur) state that he and his colleagues from Quebec were protectionist. At the time I made perhaps the rather crude remark that at last I knew why Sir Wilfrid Laurier was defeated in 1911; the protectionists in his ranks foreswore their low tariff principles and thus crucified Sir Wilfrid on a cross of protection. The Minister of Justice (Mr. Lapointe) took exception to that remark of mine and said that it was not reciprocity but another issue which had turned some of the French-Canadians against their chieftain. May I say in regard to Sir Wilfrid Laurier that in 1905 I received a letter from him with respect to free trade, and in my opinion at no time in his long and distinguished career did he show to better advantage than in his defeat in 1911, for on that occasion he went down to defeat because he preferred to stick to his principles rather than continue in power by deserting those principles. In fact the leaven of protection seems to have been permeating the Liberal party ever since 1911. Pope has well said that:

> Vice is a monster of so frightful mien,
> As, to be hated, needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

My hon. friends opposite at one time hated the name of protection, they despised it as something which should not be espoused by their party, but after seeing it for a while they began to endure, then pity, and now we find them embracing it—much to the amusement of my friends to my right.

I am rather sorry, Mr. Speaker, that I cannot support the budget. There are many things in it that I like; but it contains a good many things that I do not like from the standpoint of low tariff or free trade. It looks to me that what Canada needs at the present time is leadership; the leadership of men who have some principles at heart, who believe in those principles, and who carry them out in spite of whatever may happen. Goldsmith, in describing the character of the village preacher, a man whom he admired very much, said that:

> He tried each art, reproved each dull delay,
> Allured to brighter worlds, and led the way.

I am afraid that at the present time the policies of this government, far from leading the way, have degenerated into an attitude

of putting its ear to the ground to see what can best be done to win the next election. I would have been more pleased to see my Liberal friends on the opposite side stick to the principles which they once professed and which Sir Wilfrid Laurier, Sir Richard Cartwright, Alexander Mackenzie and others in this land of ours laid down as Liberal principles—principles which do not change with the changing times. The square on the hypotenuse of a right-angled triangle is equal to the sum of the squares described on the other two sides. No amount of sophistry can ever alter that truth. If the principles upon which the platform of the Liberal party is based are sound, they do not change with the changing times. They do not look for leaders who will fashion their doctrines to the varying hour.

Mr. LAPOINTE: Will my hon. friend permit a question? He referred to the vote on the reciprocity question in the province of Quebec. May I tell him that the vote in Quebec showed a large majority in favour of reciprocity when his own county voted against it.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, if hon. gentlemen opposite are expecting from me a declaration to the effect that I am going to support the budget, I may say that some of them, and those in particular who come from the west, should remember the copybook maxim that honesty is the best policy.

The budget has been debated at great length in respect to the main principles which it involves. There are however a few observations that I would like to make. It has been rightly stated that it will not be found palatable to the Canadian people, and I can think of no better illustration of the truth of this statement than to remind hon. members of the difficulty which that master swallower, the hon. member for Lisgar (Mr. Brown) had in swallowing the budget this afternoon. That hon. gentleman is a past master in the art of swallowing everything—even himself. When that hon. gentleman has had such difficulty I wonder how the Canadian people in the main will stomach it at all.

The budget contains many features which lead me to wonder how the hon. member for Brandon (Mr. Crerar), who has obtained the portfolio of Minister of Railways in the present cabinet, will justify the vote he will cast in a few minutes in favour of this budget. I cannot understand his position, especially in view of the observations he made in the city of Winnipeg after he became Minister of Railways.



An hon. MEMBER: It was before.

Mr. ERNST: No, since he became Minister of Railways. I have in my hand a copy of the Winnipeg Tribune dated January 22, 1930, and the hon. minister—

An hon. MEMBER: Is that the Tribune you have in your hand?

Mr. ERNST: Yes, it is a section of it. The hon. minister in addressing the Liberal club of the city of Winnipeg expressed himself in these terms:

> Condemning protective tariffs, Mr. Crerar said protection was a fiscal policy which could work out in no other way than by conferring benefits on certain sections of the community at the expense of the others. The principle of protection was not suited to a new country.

Here is a portion which corresponds very ill with the speech at Woodstock of the Minister of Justice on national unity:

> We can't build up eastern cities at the expense of western cities without developing jealousies, suspicions and strife.

In view of some of the provisions in this budget the house has been waiting for many days to hear a declaration from the Minister of Railways as to how he can justify his vote for protection. I cannot help but feel that that hon. gentleman and the Minister of National Defence (Mr. Ralston) must have got their heads together and decided that there must be some way out.

At this time I wish to deal with two or three features of the budget which affect my own province. As a very last item in the budget there is tacked on a paragraph dealing with a bounty on coal used in the production of coke for the manufacture of steel. When the Minister of Finance moves that this house go into committee of ways and means, the traditional usage, as I understand it and as I have no doubt the house understands it, is that that committee should provide ways and means for raising supply for His Majesty. Expenditure has no proper place in the budget, it is put in for one purpose only. I was going to say that it is put in for trickery, but it may be that the word "trickery" is unparliamentary; I shall temper my remarks by saying that the bounty resolution is put in for the purpose of diverting the attention of the people of Nova Scotia and causing them to think that their representatives in this house have voted against something for which that province has asked, whereas in reality they have merely voted against a budget which as a whole they cannot possibly swallow.

My hon. friend from South Cape Breton (Mr. MacDonald) made some allusions this

afternoon to the fact that there was no protection for labour. May I make some further reference to the coal and steel industries. The Duncan report recommended that the tariff board be asked to make an investigation into the duty on coal. Has that been done? My hon. friend from Antigonish-Guysborough (Mr. Duff) pledged himself when he won the by-election in that constituency that he would resign his seat if the Duncan report were not implemented in full at the end of the first session after his election.

Mr. DUFF: That is an absolute falsehood.

Mr. ERNST: Mr. Speaker, the hon gentleman has a reputation for somersaulting, but the statement, or what purported to be his statement certainly appeared in the Halifax Herald. I have to accept the hon. member's word, but I will leave to his constituents the question whether in the final analysis it is true.

Mr. DUFF: I say it is an absolute falsehood.

An hon. MEMBER: Take it back; withdraw your statement.

Mr. DUFF: Mr. Speaker, I would ask that the hon. gentleman withdraw the statement he has made.

Some hon. MEMBERS: No, of course not.

Mr. SPEAKER: The hon. gentleman has accepted the denial made by the hon. member for Antigonish-Guysborough.

Mr. DUFF: No, he has not; I will not agree to that. He has not withdrawn it.

Mr. ERNST: Mr. Speaker, I said that I accepted the word of the hon. gentleman. I repeat, however, that the Halifax Herald carried the statement in its pages three years ago, and I would add that I might have been pardoned for quoting it because for three years the statement has not been denied. I have no doubt whatever that the hon. gentleman will go home as the champion of maritime rights, although I have a recollection of seeing the statement made in Montreal that it is only Tory propaganda. I have no doubt that the Minister of National Defence will do likewise. This afternoon my hon. friend from South Cape Breton gave a resume of the fight we have had since 1923 when that grand old veteran the senior member for Halifax (Mr. Black) was elected to parliament. That is when the fight started. That was the fight which broke the solid sixteen, and never at any time until the Duncan commission made its report did any hon. gentleman opposite make a speech for what were known as maritime rights. I hold in my hand extracts from the speeches they made during the campaigns of 1925 and 1926. Take, for instance, the running mate of the Minister of National Defence, who was defeated in Halifax in the election of 1926. I refer to Mr. John Murphy, now a member of the harbour commission, who, speaking before the royal commission and giving evidence, gave this as his conception of maritime rights.

> Freedom to negotiate our own trade treaties and to buy and sell in whatever markets we can to the best advantage is the only permanent solution of Nova Scotia's problems.

Mr. A. S. MacMillan, a rather noted gentleman in the province of Nova Scotia—

Mr. DUFF: You ran away from the investigation last year.

Mr. ERNST: I have only this to say in that connection, Mr. Speaker: Probably it was lucky for Mr. MacMillan that the evidence was never summed up in this house. Dealing with maritime rights, Mr. MacMillan touched on local conditions and the government's presentation of the case before the royal commission. I am quoting from the Halifax Chronicle of August 26, 1926, in which appears a report of Mr. MacMillan's remarks at Truro. Dealing with maritime rights he said:

> "It is not maritime rights, but maritime wrongs from which we suffer," said the speaker. "First, confederation; second, national policy and third, the rejection of the reciprocity treaty of 1911."

Those were the hon. gentleman's conceptions of maritime rights. Then there was Mr. Ernest Robinson, former member for King's county, who spoke at Kentville on September 14, 1925, and whose remarks are reported in the Morning Chronicle. Speaking of the proposed reduction in freight rates which had been advocated by hon. members on this side of the house, which would enable our products to reach central Canada, he said:

> "What have we now in the maritime provinces which we would be likely to send to central Canada? Nothing except coal and fish. It would be all right to put a lower rate on them, but as for butter, eggs, potatoes and apples, they have more than we." Mr. Robinson said he did not believe in taxing one part of Canada in order to pay another.

Then there was Mr. H. J. Logan, at that time the member for Cumberland and now a senator, who spoke in Kentville and whose remarks are reported in the Morning Chronicle of September 14, 1925. Speaking of maritime rights and Mr. Meighen's promise he said:

What will he give us? Chapter freight rates? Well, he has intimated that, but has not said so yet. The provinces do not want doles, but simply justice.

Now we have Mr. Robert E. Finn, of recent fame in the by-election in Halifax city, formerly a member of this house, who is reported as follows in the Chronicle of August 9, 1925:

Maritime rights would never have been heard of had not Sir Charles Tupper and his associates in the Conservative party of 1867 been successful in dragging Nova Scotia into confederation. Tupper had sold this province for eighty cents a head and lived to boast of his accomplishment. The work of the Liberal party has been to undo that great wrong.

Those, Mr. Speaker, were the views of these gentlemen during the elections of 1925 and 1926, but now I have no doubt they will climb on the band wagon along with the minister of National Defence and sing "Hail, Hail, the Gang's All Here." But, sir, the people of Nova Scotia will not forget who fought their fight; they will not forget that every major recommendation in that report which relates to the province of Nova Scotia was based on the case prepared by the Rhodes government. Did any hon. gentleman opposite contribute anything to that inquiry? Did any hon. gentleman opposite give evidence before that commission, and if he did what finding was based upon that evidence? Did the Minister of National Defence contribute anything to that inquiry, or the hon. member for Hants-Kings, or the hon. member for Lunenburg, as he was then?

Mr. DUFF: I paid for what you did.

Mr. ERNST: I did not have anything whatever to do with it; I was in the same position as the hon. member for Antigonish-Guysborough. As I said before, Mr. Speaker, the people of that province never can be deluded by trick budgets into forgetting who fought for them at that time.

Now, sir, there are two other matters in the budget which relate particularly to my own province and to which I wish to refer. Provision is made for countervailing duties on sixteen articles, practically all farm products. I want to ask the Minister of National Defence where he was in the cabinet council when these countervailing duties were being prepared, that he forgot to include fish. He represents one of the great fishing constituencies of this country. I do not believe in countervailing duties, but if the farmers of Canada are worthy of protection surely the fishermen are equally worthy of it. Where was the Minister of National Defence; what explanation can he give?

[Mr. Ernst.]

Mr. BLACK (Halifax): Mr. Speaker, I would suggest that while the gentleman has the floor order should be maintained so that he may devote all his time to his remarks.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. BLACK (Halifax)): On behalf of the hon. gentleman who has the floor I ask that he be heard with some respect and that order be maintained while he is speaking.

Mr. SPEAKER: I would ask for order on all sides of the house.

Mr. ERNST: I may just say that the senior member for Halifax should not be worried by the disrespect of the hon. member for Antigonish-Guysborough; it does not worry me at all.

Mr. DUFF: You might worry about it before the election is over.

Mr. ERNST: I am ready to submit myself to the judgment of my electors at any time.

Mr. DUFF: What about those twelve telegrams you sent out yesterday?

Mr. SPEAKER: Order, please.

Mr. ERNST: Mr. Speaker, I was about to give the figures of the importations of fish into this country from the United States. Last year we imported fish to the value of $1,122,698.

An hon. MEMBER: What kind of fish?

Mr. ERNST: Various kinds, but fish which can be produced in this country. The duty on fish entering the United States varies according to the kind and the degree of preparation. Ordinarily, for fresh or frozen halibut, mackerel, salmon and swordfish, the duty is two cents per pound. For all other fish, with the exception of three minor varieties which are not imported, the duty is one cent per pound. The duty on dried fish is 1¼ cents per pound; on smoked herring 2½ cents per pound; on smoked fillets 25 cents ad valorem, and on all others 2½ cents per pound. The duty on fish coming into this country from the United States is exactly one cent per pound. Now, sir, I ask again where was the Minister of National Defence, who represents a fishing constituency, when these countervailing duties were prepared, that he did not protect the interests of his own fishermen?

The budget also contains an allusion to a treaty which is to be negotiated with New-

foundland. Our trade figures with Newfoundland are rather staggering; from that country we import goods to the value of only a little over $2,000,000 a year, while our exports to Newfoundland amount to over $11,000,000 a year. The chief articles which that country has to export to us are fish, the products of the forest, and ores. Our exports are practically all manufactured goods. Last year fish made up one-third of the total importations into this country from Newfoundland. If a treaty is to be negotiated, the fishermen of Nova Scotia will look with concern upon any negotiations carried on by a government which acted as it did regarding the importation of butter from New Zealand. Are we not just as likely to have our fishing interests sacrificed? That is a matter which the Minister of National Defence will have to explain to his constituents, especially in view of his telegram of last year in which he said he was willing to sacrifice a million dollars' worth of the salt fish business in order to please his friends in the city of Halifax.

Mr. DUFF: Is the hon. member in favour of the placing of a duty on fish coming into Canada from Newfoundland?

Mr. ERNST: I will deal with that question as soon as it arises in this house.

Some hon. MEMBERS: Answer.

Mr. SPEAKER: Order.

Mr. ERNST: I have said already that I will deal with that question when it arises.

An hon. MEMBER: Answer it now.

Mr. SPEAKER: Order.

Mr. DUFF: Is the hon. member in favour of the placing of a duty on fish coming into Canada from Newfoundland?

Mr. SPEAKER: Order.

Mr. ERNST: Mr. Speaker,—

Mr. SPEAKER: We must have order.

Mr. ERNST: These are some of the reasons why I, in justice to my constituents—

Mr. DUFF: I would like an answer to my question.

An hon. MEMBER: Nova Scotia will give you an answer when you go back.

Mr. SPEAKER: The debate should be conducted with all fairness to the hon. member who is speaking.

Mr. ERNST: I have given a few reasons why I cannot, as a Nova Scotian, support this budget; I would not be true to my own province if I did so.

Mr. DUFF: What about free trade in engines? What does the hon. member say to that?

Mr. ERNST: If the hon. gentleman cannot raise his mind above matters of local concern, I shall be glad to debate them with him in my own constituency.

Mr. DUFF: I will have that honour, too.

Mr. ERNST: I have said already that it is a difficult thing for anyone to swallow this budget and not get political indigestion. It is not a Canadian budget, as has been said repeatedly; it is an election budget. In looking back over the last few years, it is no wonder that this government has found it necessary to bring in an election budget. Look at the heritage we possess in this country. We have everything; we have water powers, minerals, forests, farm lands, fisheries, and we have a fine people. In spite of all these blessings of Providence we have the sorry spectacle of hundreds of thousands of our own people leaving the country and the trickle of immigration having ceased. Thousands of unemployed walk our streets, and I do not see how this government, with an election budget or any other kind of budget, can hope to win back the confidence of the people of Canada. There is only one way in which this country can be put back on its feet, and that is a policy of Canada for the Canadians.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, it is the first time that I have ever heard a corpse scream. The Tory party has proved to-night that it has breathed its last breath. If the position of Deputy Minister of Finance is still vacant, I would recommend the hon. member for Queens-Lunenburg (Mr. Ernst) for that position, because he is such an expert in figures. I was very much surprised to hear this government not being given credit for the Duncan report.

Mr. QUINN: Oh, no, we shook it out of you.

Mr. POULIOT: The hon. members for West Algoma (Mr. Simpson) and Cape Breton North-Victoria (Mr. Johnstone) have proven to the house that they are possessed of greater wisdom in their little fingers than that shown by my hon. friend in all his utterances. For several sessions we have been hearing about maritime rights, but who brought forth the Duncan report?

An hon. MEMBER: The Tories.

Mr. POULIOT: I never thought that the Tory party included a member so ignorant as

that. I knew there were prejudiced people in the Tory ranks, but I never thought that there was so much ignorance. This government has played fair with every part of this country. The people in the maritime provinces were suffering, they had troubles, and this government said to them: "What are your troubles? Tell them to us and we will give you fair play and justice." That is what this government has done. To-day anyone can go to the maritime provinces and see that the people are prosperous, thanks to this government, thanks to the hon. Postmaster General (Mr. Veniot) and to the hon. Minister of National Defence (Mr. Ralston), both native sons of those provinces. This condition has been brought about despite the screaming which comes from the other side. The people of Nova Scotia, and even the Tories who sit in the provincial house, are very glad to have received increased subsidies from this government. Otherwise there would have been a deficit in the provincial revenue.

This government has acted fairly towards the maritime provinces as it has towards the other provinces. This government has returned to the western provinces their natural resources, something which the right hon. Arthur Meighen said no one was able to do. Although some members speak critically of it, I have nothing but admiration for the government for accomplishing that fact. We have the old age pensions. The government tries to help the poor people; and I also congratulate the Prime Minister (Mr. Mackenzie King) upon his declaration of yesterday with regard to minimum wages for people employed in the Dominion government service.

Mr. QUINN: Has Taschereau an old age pension?

Mr. POULIOT: My hon. friend repeats an old joke, and it is like meat that has been cooked several times—it has lost its flavour.

Mr. QUINN: There is no joke like the hon. member.

Mr. POULIOT: Never before, at the end of a parliament, have we heard of so many members who intend to retire. One of them, a member whom I respect and esteem, is the former whip of the Conservative party. Everyone in the house likes him. He is leaving to resume his private practice. Several others are in the same position. To-day we have seen members of the Conservative party who are honest, who are disgusted with their own party and who approve the policies of the government, not because they are Conservatives but because they are sound headed. In spite of the money that is spent for Tory advertising and propaganda throughout the country, in spite of the lies that are spread with regard to the recorded policies of the Conservatives —notwithstanding all that propaganda I say that there is still as much harmony in the Tory ranks as there was when the present leader of the opposition (Mr. Bennett) called his predecessor in office, then a full minister, a musical instrument.

An hon. MEMBER: What about Taschereau?

Mr. POULIOT: There is no marrow within that joke; it is only the bone. It is a worn-out joke. At Keith's theatre you would not get five cents for it. I wonder whether the first name of the hon. member who made that interjection is Amos or Andy.

There is a great difference between federal and provincial politics. I have no time to-night to repeat what I have already said in the house; the people know it, and those who do not wish to listen and who have eyes to see, can read it in Hansard. We shall face an election within a short time. My hon. friends opposite do not show much pleasure about it because they know very well that in every part of the country the people of Canada are satisfied with the policy of the government. It is a Canadian policy for Canadians, the making of which is a feat that has never been accomplished by the Tory party, which has been the party of class and privilege. There is a great difference between Liberalsm and Toryism. The slogan of Liberalism is "Live and let live." The slogan of Toryism is "We, Us and Company," and another one is: "Believe or die."

Mr. BELL (Hamilton): Hurry up and die.

Mr. POULIOT: Yes, die; because people who have changed their colours, dye. The house is well posted on the whole matter; everyone knows about the budget; we are ready to vote, but before the vote is taken I wish to say to my hon. friend the junior member for Halifax and the big one over there—

Mr. SPEAKER: It is not parliamentary for the hon. member to refer to another hon. member in that manner.

Mr. POULIOT: The young member who comes from a county where there is a wild goose pond; we will meet them on the hustings with the record and the policy of the government and a few drops of Fly-tox and Flit, and then we shall never see them again in the house.

The house divided on the main motion (Mr. Dunning)—

That Mr Speaker do now leave the chair for the house to resolve itself into committee of ways and means.

—which was agreed to on the following division:

YEAS

Messrs:

Allan,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,
Bissett,
Blanchard,
Blatchford,
Bock,
Boivin,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Bradette,
Brown,
Cahill,
Cannon,
Cardin,
Casgrain,
Cayley,
Chevrier,
Crerar,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Duff,
Dumaine,
Dunning,
Dupuis,
Dussault,
Fafard,
Ferland,
Fiset (Sir Eugène),
Gershaw,
Gervais,
Girouard,
Glen,
Goulet,
Gray,
Guerin,
Heenan,
Howden,
Ilsley,
Jacobs,
Jelliff,
Jenkins,
Johnston (Long Lake),
Kay,
King (Kootenay East),
King, Mackenzie (Prince Albert),
Lacroix,
Laflamme,
Langlois,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
MacDonald (Cape Breton South),
MacLean (Prince),
McLean (Melfort),
McDiarmid,
McIntosh,
McKenzie,
McMillan,
McPhee,
McPherson,
Malcolm,
Marcil,
Mercier (Laurier-Outremont),
Mercier (St. Henri),
Millar,
Milne,
Morrissy,
Motherwell,
Neill,
O'Connor,
Parent,
Perras,
Pouliot,
Power,
Prévost,
Ralston,
Raymond,
Rinfret,
Robitaille,
Ross (Moose Jaw),
Rutherford,
St-Père,
Sanderson,
Séguin,
Simpson,
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Taylor,
Telford,
Thorson,
Tobin,
Totzke,
Verville,
Ward,
Young (Saskatoon),
Young (Weyburn).—114.

NAYS

Messrs:

Anderson (Toronto-High Park),
Arthurs,
Barber,
Bell (Hamilton West),
Bell (St. Antoine),
Bell (St. John-Albert),
Bennett,
Bird,
Black (Yukon),
Black (Halifax),
Bowen,
Boys,
Brady,
Cahan,
Campbell,
Cantley,
Carmichael,
Chaplin,
Charters,
Coote,
Cotnam,
Cowan,
Dickie,
Embury,
Ernst,
Esling,
Evans,
Fansher (Last Mountain),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Gott,
Grimmer,
Harris,
Hocken,
Hubbs,
Irvine,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lawson,
Lennox,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdonald (Richmond-West Cape Breton),
Macdougall,
MacLaren,
MacNutt,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Maloney,
Matthews,
Maybee,
Peck,
Perley (Sir George),
Pettit,
Plunkett,
Price,
Quinn,
Rennie,
Rowe,
Ryerson,
Senn,
Smith (Cumberland),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Stevens,
Stewart (Leeds),
Stinson,
Stirling,
Thompson,
Tummon,
White (London),
Wilson (Wentworth),
Woodsworth,
Young (Toronto Northeast).—86.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Veniot,
Elliott,
Euler,
Sinclair (Queens),
Bowman,
Hay,
Baldwin,
Fontaine,
Hall,
Morin,
Rhéaume,
Hepburn,
Roberge,
Lacombe,
Vallance,
Odette,
Wilson (Vaudreuil),
Sylvestre,
Howard,
Foster,
Hanson,
Edwards (Waterloo),
Manion,
Jones,
Hodgins,
Murphy,
Johnstone,
Anderson (Halton),
Sinclair (Wellington),
Ryckman,
Church,
Spotton,
Ross (Kingston),
Guthrie,
Clark,
Robinson,
White (Mount Royal),
Fansher (Lambton),
Casselman,
Short.

Mr. JOHNSTONE (Cape Breton North-Victoria): I was paired with the hon. member for Stanstead (Mr. Baldwin). Had I voted, I would have voted for the budget.

Mr. RHEAUME (Translation): Mr. Speaker, I was paired with the hon. member for Toronto Northwest (Mr. Church). Had I voted I would have voted for the main motion.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted, I would have voted for the main motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I woud have voted against the main motion.

Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted, I would have voted for the main motion.

Mr. SHORT: I was paired with the hon. member for Victoria-Carleton (Mr. Foster). Had I voted I would have voted against the main motion.

Mr. ROSS (Kingston): I was paired with the hon. member for Megantic (Mr. Roberge). Had I voted, I would have voted against the main motion.

Mr. RYCKMAN: I was paired with the hon. member for St. Hyacinthe-Rouville (Mr. Morin). Had I voted, I would have voted against the main motion.

Mr. ANDERSON (Halton): I was paired with the hon. member for Hull (Mr. Fontaine). Had I voted, I would have voted against the main motion.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

1. Resolved, that it is expedient to amend the customs tariff, being chapter forty-four of the revised statutes of Canada, 1927, by repealing subsections (c), (d), (e), (i), (l) of section two thereof and by substituting the following therefor:—

(c) "hoop, band and strip" when applied to metals mean flat forms not more than fourteen inches in width and less than .1875 inch in thickness;

(d) "in diameter" when applied to pipes and tubes means the actual inside diameter;

(i) "plate" when applied to metals means a rectangle, circle or sketch as cut in a plate mill, more than fourteen inches in width and .1875 inch or more in thickness, with variations from such thickness not exceeding .015 inch;

(l) "sheet" when applied to metals means a rectangle more than fourteen inches in width and less than a plate in thickness;

[Mr. Speaker.]

Some hon. MEMBERS: Explain.

Mr. DUNNING: This resolution merely deals with definitions in the iron and steel industry which are brought into line with modern practice. The method of measurement is also changed in order to conform with modern practice, the measurements now being expressed in decimals instead of in the old form of sixteenths.

Mr. CANTLEY: I am sorry I cannot agree with the minister. I do not know why he has departed from the old custom of defining measurement by reference to B.W.G.—Birmingham wire gauge. The term B.W.G. has been understood in the trade for a hundred years and more. Everybody on both continents knows exactly what it means. How are the buyers, dealers or users of hoops and sheets to determine the decimal fractions that this resolution provides for in regard to thickness? There are no gauges in general use to-day, so far as I know, that will do it. Going further back than my lifetime, at all events, the measure of thickness of sheets and hoops of iron and steel has been the wire gauge, and such has been recognized universally.

Mr. DUNNING: As I think I stated in the budget address, the wordings in connection with the iron and steel schedule to which these definitions refer were widely published among those, who like my hon. friend, have knowledge of the business and of its technique. They were asked to criticize and suggest wordings and definitions, and at the public hearings of the tariff board the matter of definition of measurement to which my hon. friend has just referred was fully discussed. I am advised, and in fact the records of the hearings of the board, will, I am sure, bear it out, that all of those engaged in this business desired the decimal method of measurement to be used as being the most up to date and the most generally in use to-day and the most generally in use also in other countries. The request was unanimous that the decimal method should be adopted. I questioned the change myself when the matter was brought to my attention and assured myself on that point. My hon. friend is in disagreement in this respect not only with the majority but practically with all those engaged in the industry itself.

Mr. CANTLEY: I should like to know, Mr. Chairman, who the authorities are who make recommendations of that kind. They are authorities unknown in this country so far as I am aware. Now, I will make a suggestion to the minister. Why not adopt the alternative method and say: B.W.G. or

certain decimals. B.W.G. is known throughout the whole world and has been practised by practically all nations for at least three generations. It is understood everywhere. Birmingham wire gauges are in the hands of every wholesale hardware house in this country, and of every metal manufacturing wholesale and retail metal dealing concern in the old country or on the continent with whom we have been dealing, and both they and we know exactly what that means. So far as I am aware there are no gauges generally available in the country to-day by which to determine the decimal thicknesses that are called for by this resolution. Now, if the minister insists on retaining his decimal determinations, I ask him to put in also the equivalent B.W.G. If he does not, I can tell him that chaos will follow; there is no doubt about that. I am confident that if he does not do this he will run into a whole lot of trouble and will be maligned and sworn at by people throughout this country from one end to the other.

Mr. DUNNING: Of course I am guided in this matter as my hon. friend can understand, by the expressions of opinion of those engaged in the industry. I have again made inquiry as to the unanimity of those representations, and I am again confirmed in the statement I made a little while ago.

Mr. BENNETT: This is the Pittsburgh schedule?

Mr. DUNNING: Oh no, it is the decimal system simply. It overcomes the difficulty of the American system on the one hand and the B.W.G. on the other by stating in definite decimal terms of measurement in thousandths of an inch what is actually involved. It does not adopt any of the arbitrary standards known by particlular names, but does give the actual decimal thickness involved. The difficulty my hon. friend has in his mind can, I am sure, be overcome by the customs department publishing a comparative chart of all the equivalents in the different styles of measurement which are in use in other countries; not only the B.W.G., which is the English standard, but also the American gauge. I may tell him that the fact that he has raised the point will ensure this being done without amending the law.

Mr. CANTLEY: There is another gauge almost as well recognized, Stubb's gauge, used particularly in regard to wire. Both those gauges are universally recognized and universally used, particularly the B.W.G., throughout all British countries. This is a British country, may I remind the minister, not an American dependency, and I think it would be fitting for this government at least to recognize and use the old accepted standards that we were brought up with and have dealt in for generations. I see no good reason, no practical advantage, to be gained by departing from it; but if he must do so, I again suggest he put in brackets after the decimal measurement its equivalent, or its nearest equivalent, in the B.W.G.

Resolution agreed to.

2. Resolved, that the Customs Tariff, being chapter forty-four of the revised statutes of Canada, 1927, be amended by repealing subsection two of section six thereof and by substituting the following therefor:—

(2) Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British preferential tariff, intermediate tariff or any more favourable tariff.

Mr. BENNETT: The minister might in this regard give the committee a clear explanation of what countries' importations will be affected, what rates of duty are charged by those countries, and what the effect will be upon the revenues of this country. It will be observed that the excise duties are to be disregarded in estimating the market value. Market value determines the basis on which the tariff duties are computed. This, I understand, will affect importations from Japan, as Japan enjoys our intermediate tariff. I am given that information as it has been communicated to me.

Mr. DUNNING: The situation has been developing in recent years due to the increased use in many countries of the excise form of taxation, which produces this result in practice: the goods are sold to the home consumers in the country of origin at a higher figure than they are sold for export, for the reason that the excise duty is not chargeable when the goods are exported. That fact automatically brings the goods in question under the dumping section of the Canadian law, and it has the result, so I am advised, of greatly hampering legitimate import business. My hon. friend asks me about the countries. In reply I can tell him offhand that in Japan it applies with reference to silk. In Germany, Czechoslovakia—I am not sure of France—

Mr. BENNETT: France is covered by the treaty.

Mr. DUNNING: Yes. My hon. friend however will notice that for the purposes of special duty the amendment seeks to disregard excise in respect of goods entitled to entry under the British preferential or intermediate tariffs, or under any more favourable tariff. The present situation is that excise is

exempt only when the goods come from Great Britain, and the amendment seeks to extend that to intermediate countries.

Another point in connection with the matter has recently been drawn to my attention by the chairman of the Ontario liquor commission, Sir Henry Drayton. As the result of his communication I desire to make an addition to the resolution to meet the point raised which, to my mind, is one of some moment. For centuries it has been the custom for Portuguese wines to be imported in wood, by the barrel, into England, and there bottled in bond for export. A year or so ago, through some complaints, it became apparent to the Department of National Revenue that the practice of bottling in bond in England, involving as it did selling by Great Britain to Canada at prices lower than the wines were selling at in England, brought the Portuguese wines bottled in England under the Canadian dumping law. The chairman of the Ontario liquor commission recently asked me to give consideration to the matter, as in his opinion it was quite unfair to impose a dumping duty in connection with a transaction of that kind. I think there is merit in the contention. In his letter to me Sir Henry Drayton states:

> The wines are sent to Great Britain for bottling purposes only, so that the more expert work of the British labourer can be taken advantage of. To give a case in point: A case of port, sold to us at 40 shillings, in bond, f.o.b. London, nevertheless has to be valued for the purpose of your customs department at 56 shillings, the 16 shillings representing the customs duties of Great Britain on that port, assuming it to have been taken out of bond and released for domestic consumption in Great Britain.

I may say that similar representations in reference to the matter were made by the High Commissioner for the United Kingdom, Sir William Clark. The point is that we charge duty on customs duties levied by Great Britain, although the customs duties are not levied on the particular wine which is exported from Portugal, bottled in bond in London and bought by the various liquor commissions in Canada. I therefore propose to add this section to resolution No. 2:

> 2a. Customs duties of the United Kingdom shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the intermediate tariff or any more favourable tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

I think this measure will commend itself to hon. members of the committee as being a very fair one.

Mr. CHAPLIN: In respect to port, I do not find any particular objection to the proposal of the minister. However, I wish to call the minister's attention to another matter bearing upon this resolution. In the matter of silk from Japan the same excuse does not hold. As to goods made in Japan, we have always based our duties upon the fair market value of any article imported, and we have defined the fair market value as the price of the article in the country of production plus the tax that the local government has placed upon it. For years we have adopted that policy, and I understand that the minister now intends to make a change, so that the value for duty of goods imported will not now represent the fair market value of the articles in question.

Mr. CAHAN: Yesterday afternoon I called attention to the question of silk manufacturing in the province of Quebec. In that province the silk industry has been developing on a very low profit basis. I am advised that if the provision embodied in this resolution is enforced a blow will be delivered at the entire silk industry, because Japanese competition will serve to wipe out the industry in the province of Quebec. There is no doubt that the industry will suffer if this change is made in favour of the Japanese producer as against the Canadian manufacturer. The proposed change is a very serious one, and has created the greatest possible apprehension throughout the province of Quebec and particularly among those who are interested in this new industry. I protest against such a change at a time when we need all the employment in that province that it is possible to make available. Furthermore, the government is striking a covert blow at a growing industry.

Amendment agreed to.

The CHAIRMAN: Shall the resolution as amended carry?

Mr. BENNETT: No. We are to have a statement from the minister as to what value of goods would be affected by it.

Mr. DUNNING: It is quite impossible to state that.

Mr. BENNETT: Is it?

Mr. DUNNING: Yes, it is quite impossible.

Mr. BENNETT: My meaning is this: We will let the price be $2, and let the excise be $1; in that case the duty is computed on $3. You are wiping out $1 and computing the duty on $2 only. What would the effect of this resolution be upon importations? I agree with what my hon. friend from St. Lawrence-St. George (Mr. Cahan) has said in connec-

tion with silk from Japan. I have been advised that it will have a most serious effect upon an industry which is equipped as well as any silk industry of the United States and is in a position to produce material as cheaply. The industry is subjected to very keen competition in our market not only from the United States but from Japan. In any store you will observe enormous quantities of goods that have come in under the old tariff rate. The effect of this proposal is to lessen the sum upon which duty is computed, and consequently to lessen the revenue. Has any estimate been made as to the increased volume of goods which by reason of this provision will be imported and thus affect the Canadian silk industry?

Mr. CHAPLIN: The minister has just told us that he could not furnish us with the information. I will undertake to furnish him with the information as to how it affects the silk industry in my district.

Mr. DUNNING: My hon. friend did not allow me to reply, and he should not accuse me of not being willing to give the information.

Mr. CHAPLIN: I thought you said a minute ago that you could not give the information.

Mr. DUNNING: Nobody could give exact information, but I can tell my hon. friend that on April 15, 1919, the then Commissioner of Customs issued a regulation that the special or dumping duty was not to apply in respect to foreign excise taxes or excise duties. That regulation, in the opinion of the law officers, was in effect without really having the force of law, I may advise my hon friend, until June of 1928 when it was cancelled with respect to goods purchased after that date and imported after August 1, 1928. Such experience as has been gained naturally has come since August 1, 1928 with respect to this matter, and my endeavours to get exact information as to the application of the change have been without avail.

Mr. BENNETT: What I said applies equally to rayon silk as to natural silk.

Mr. DUNNING: I am not aware of the effect of excise duties in foreign countries on artificial silk.

Mr. BENNETT: Rayon is subject to an excise duty in Japan.

Mr. DUNNING: Yes, but I am advised that the export of rayon from Japan to Canada is negligible. The other factor is important. I am advised by the silk manufacturers that approximately $3,000,000 worth of silk is affected annually.

Mr. CAHAN: Will the minister state that the manufacturers of silk in Canada have been advised with respect to this change and have been given an opportunity to present their objections to him?

Mr. DUNNING: Yes.

Mr. CAHAN: And no objections have been received?

Mr. DUNNING: I would not say that.

Mr. CAHAN: My attention has been directed to this matter by several of the concerns more deeply interested, and they look upon this change with the greatest possible apprehension as to its effects upon their industry. This item should not pass until we have full particulars as to its effect upon Canadian industry and especially upon those Quebec industries which have been recently established.

Mr. BENNETT: Before the minister speaks in reply I might say that I visited one of these factories. I saw the silk imported from Japan; I saw the price paid for it; I learned the amount that had been paid for wages in its production and I saw also quantities of silk being brought from abroad to be dyed in that factory. I saw the amount which they had learned, from actual inquiry, had been paid the workmen, and I say that if we are to remove that excise tax, under the present rates of customs duty, unless conditions have changed certainly you will make it impossible to develop that industry in Canada. That cannot be gainsaid. I could satisfy the minister on that point in a moment. All I was seeking to ascertain was whether or not there were such safeguards as would ensure against such a result. I am giving it to the minister just as I saw it myself. I saw the skeins of natural silk, and certainly the minister knows that artificial silk made from wood pulp, as well as celanese silk, which is made by the utilization of cotton waste through a chemical process, involve an entirely different condition from that which we have hitherto dealt in connection with the industry. I had hoped that we could be able to have the minister say with certainly that he had satisfied himself as to what would be the effect of the introduction of these commodities, produced certainly under conditions so vastly different from those prevailing in Canada in point of wages and hours of labour that we cannot possibly compete on even terms.

Mr. DUNNING: I may say to my hon. friend that I listened to representations made to me personally by the silk people. Of course it is known to those who are interested in this question that the tariff at the present time on ordinary silk is 22½ per cent under the intermediate tariff and 30 per cent on rayon. There is that much tariff in any case. Frankly, I was impressed with the idea that the factories concerned in Canada did carry on for a very long period until, in fact, the month of August, 1928, without having the dumping duty imposed because of the excise. I could not see, and no attempt was made to convince me, that conditions have so changed since August 1, 1928, as to make the difference which my hon. friend fears. I looked at it as closely as I could, and I felt that no injury was being done by establishing this general principle that under the intermediate and any more favourable tariffs, because people tax themselves in their own country, we should not add that tax to the value and also impose the dump on top of that when Canadians desire to import these goods. Frankly the consideration mainly present in my own mind was the fact that our Canadian factories had demonstrated over a considerable period of years their ability to deal with the situation without the excise duty having been taken into consideration in the imposition of a dumping duty.

Mr. CAHAN: But the stress and strain of the last two years have been exceptional, and the competition has been very much keener than ever before. I should like to ask the minister who suggested this change with regard to silks. Has the Japanese government made representations with respect to it? Is the minister making a concession to Japan on that account, without regard to the interests of the Canadian manufacturers? I regard this as a hostile move against a very important Canadian industry, and we should have the strongest possible reasons for making the change in view of the disaster to Canadian industry which is impending if this change is made.

Mr. DUNNING: This point did not arise specifically in respect to silks; it arose following the rescinding of the regulation to which I referred a few moments ago. Since August 1, 1928, importers of all lines of goods affected have been making continuous complaints, in some cases as to the impossibility of importing goods under the conditions set up by the rescinding of the former regulation which had been in force for some ten years. A general investigation of the whole subject was undertaken, by which we became convinced that this is an unfair imposition by way of taxation on the people of Canada and further that its removal will not jeopardize Canadian industry. The silk factories to which my hon. friend refers, as I think I stated a few moments ago, have a 22½ per cent duty in any case, under the intermediate tariff, and 35 per cent under the general tariff, while artificial silk pays a duty of 30 per cent under the intermediate tariff and 35 per cent under the general tariff. To impose on top of that a further 10 per cent excise levied in the country of origin and then to apply the dumping provision of our act certainly has made it very difficult to do business and has imposed a very serious tax upon the Canadian consumer.



Mr. CAHAN: All I can say to the Minister of Finance is that if he will take into consideration the difference between wages paid in Japan and those paid in the province of Quebec he will find that his 22½ per cent or 30 per cent will not offset the difference.

Mr. McGIBBON: Could the minister tell us if this matter has been considered by the tariff board?

Mr. DUNNING: Yes, I am advised by the tariff board with reference to the matter.

Mr. McGIBBON: Was this their recommendation?

Mr. DUNNING: Recommendation is scarcely the correct word. I have used as advisers the tariff board and all its works. It is a matter of consultation rather than of recommendation.

Mr. CHAPLIN: Will the minister tell us if this excise provision will affect the sales tax imposed by France, for instance?

Mr. DUNNING: Yes, the sales tax is an excise tax.

Mr. CHAPLIN: You are going to reduce it in the same way with Japan, as far as any of their exports to Canada are concerned?

Sir GEORGE PERLEY: The minister states that the importations of the articles he has mentioned have not been very large, but with this change in the tariff are we not going to have an increase in the importation of these artificial silks?

Mr. DUNNING: I do not think so.

Sir GEORGE PERLEY: Why not?

Mr. DUNNING: If I read the items, my hon. friend would get my point. The first item reads as follows:

Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or

bleached, not less than twenty inches in width, imported for the purpose of being degummed, dyed and finished in Canada.

I am advised by the silk people that that is the chief item of import. The next item is:

Woven fabrics, composed in part of silk, n.o.p., knitted fabrics wholly or in part of silk, not to contain wool.

The latter item carries a higher rate of duty than the former, and I do not think we need anticipate any great change in the importations.

Sir GEORGE PERLEY: What is the object then of making a change?

Mr. DUNNING: My hon. friend is speaking of silk?

Sir GEORGE PERLEY: Artificial silk, which is really of more importance than silk. The minister claims that we have not imported very much of this article, but it may be that with this change larger quantities will be brought into the country.

Mr. DUNNING: The duty on artificial silk under the intermediate tariff is 30 per cent.

Sir GEORGE PERLEY: But what is the difference between the cost of production, the difference between wages paid in Japan and here in Canada?

Mr. DUNNING: I cannot answer that.

Sir GEORGE PERLEY: That is something which should be considered.

Mr. CHAPLIN: I am informed by the manufacturers in my district that during the past two years the minister could have obtained an accurate idea of the difference in imports of these lines of goods. The manufacturers state quite definitely and positively that during the time this excise provision has been in operation the importation of flat goods has decreased quite considerably, which decrease has been to their advantage.

Mr. DUNNING: I have the figures here.

Mr. CHAPLIN: Let us have the figures.

Mr. DUNNING: The figures given are for the fiscal years, and in that connection it must be recalled that the regulation was changed on August 1, 1928, about half way through the fiscal year. In the fiscal year 1928 the importations were valued at $3,088,000, and in 1929 they were valued at $2,910,000. In 1928 the new regulation would be operative only from August 1 until the succeeding March 31, but it would be operative for the whole of the fiscal year 1929. My hon. friends will notice that the decrease is very small as between the two fiscal years.

Mr. CHAPLIN: I did not expect that these items would be under consideration tonight, and if given the opportunity I believe I can furnish the minister with more accurate information than he seems to have. I have seen the figures of the importations for a period after August 15, given by months, and they disclose a decrease of something like 200,000 yards per month. The minister should not be in a desperate hurry with regard to this particular item, and I would ask that it be allowed to stand over until I can secure the information which is in my office. I take strong exception to the decreased duties on importations from France. We have a treaty with that country which gave us a minimum tariff, and that has been changed three or four times on almost every article we export to that country. At this late date we are making further concessions and I do not think they are deserving of them.

Mr. LADNER: Is there any trade arrangement or treaty with Mexico which would bring items imported from that country under the intermediate tariff?

Mr. DUNNING: No.

Mr. LADNER: I would like to know if gasoline would be affected under this item of excise tax. At the present time the tax is added to the price, and the question arises whether or not it will become dutiable.

Mr. DUNNING: To my knowledge gasoline does not come to Canada from any country which would be affected by this amendment.

Mr. LADNER: Except possibly Mexico.

Mr. DUNNING: We have no treaty with Mexico.

Mr. LADNER: I thought there was some kind of trade arrangement.

Mr. DUNNING: No.

Mr. CHAPLIN: I think this matter could be allowed to stand over. I am interested in the enterprise, in that it has been established in my city and it is a branch of one of the best English concerns. I have been told that the wages paid at St. Catharines are twice as much as those paid in the old country, and four times as much as those paid in Japan.

Mr. CAHAN: I have been informed that the duty will not cover the difference in the wage scales of the two countries.

Mr. DUNNING: It must be borne in mind that the companies affected bring in some of the items for further manufacture, such as silk from Japan. I have further figures which illustrate the effect of the change which was made on August 1, 1928. The total imports of silk of all kinds during the fiscal year 1928 amounted to $8,250,471. During 1929, when the present arrangement was in effect for the whole fiscal year—

Sir GEORGE PERLEY: You mean the proposed arrangement?

Mr. DUNNING: The arrangement which is now being rescinded—in 1929 the imports amounted to $8,145,000. The reduction as between the two years amounted to only $105,000 in a total trade of over $8,125,000. That is one of the reasons why I find it very difficult to follow the argument of my hon friend. The major item of imports is the one which is complained about by the silk people and the difference between the two years I gave in that connection a few moments ago. During half of one of the years the old arrangement was in force, under which arrangement excise was not taken into account; during the other half the arrangement was in force that the excise was taken into account and during the whole of the succeeding year it was taken into account. The difference made was only $100,000 in $8,250,000 worth of trade.

Mr. CHAPLIN: I will undertake to show the minister some information I have that in respect to the goods complained of the difference is far greater than what he would lead us to believe it is. I have seen the reports as presented by the manufacturers and on this special line of goods for six months after the change was made the difference is $1,500,000 or $2,000,000.

Mr. CAHAN: There is the further consideration that in this business the domestic consumption has been increasing; silk wear is becoming fashionable, but what this extra duty did was to prevent the Japanese producer from obtaining a larger control of the Canadian market. It was a restraining condition which enabled the Canadian producer temporarily to hold his own in spite of the fact that the wage scale in Japan is very much lower than that in Canada.

Mr. McGIBBON: Can the minister tell us whether the duty is equal to the difference in the cost of production?

Mr. DUNNING: It is quite impossible for me to state that.

[Mr. Cahan.]

Mr. PECK: This resolution is in very general terms. Are there any other imports than silk and silk products which would be affected by it?

Mr. DUNNING: There are a number of minor commodities. Wines, in connection with France, would be affected, because we have a trade agreement with France, hence that country would come under the intermediate tariff. Germany at the present time is under the general tariff so that importations from that country would not be affected by the change. I may as well admit to the committee that a great deal of complaint has come from those who import from Germany, but after giving the matter consideration we are inclined to think this concession is one which should apply only to those countries with which we have definite arrangements.

Mr. CHAPLIN: That would include Switzerland also. Switzerland comes under the French treaty.

Mr. DUNNING: Yes, but not to a great degree.

Mr. PECK: I think we should have a little more consideration given to this so that we may know how far-reaching it may be. It may extend to many other goods that may not have been considered by the department or the tariff board.

Mr. DUNNING: I might give a little further information with respect to our trade generally with Japan, because that trade has, I know, some significance to those who think in terms of Canadian trade. Our total imports from Japan for the last fiscal year were $12,900,000 and our total exports to that country were $42,000,000 so that the matter is of some importance from the general trade point of view. There is always the problem of adjusting Canada's general interest with the particular interest of an industry which is entitled to consideration. That is the point one has to weigh in considering all these matters. I have given it the best study of which I am capable and I think the arrangement is a fair one, especially as it is the identical arrangement under which these people operated prior to August 1, 1928. Then they got a species of windfall by reason of an interpretation.

Mr. CAHAN: They got a windfall which saved them from disaster.

Mr. DUNNING: But which had the effect of reducing the imports from Japan by only $100,000 worth in these lines of goods.

Mr. CAHAN: The Minister of Finance is not making a fair deduction from that. He admitted a few moments ago he had not the knowledge to determine that issue.

Mr. DUNNING: What issue?

Mr. CAHAN: The issue as to how large the restriction has been.

Mr. DUNNING: I give such figures as are available.

Mr. CAHAN: But they are not relevant to the issue. The real issue is that this difference prevented Japan from getting control and command of the Canadian market, and we wish now to maintain the Canadian producer, in view of the peculiar conditions affecting this trade, in as favourable a position as he has been for the last two years.

Mr. CHAPLIN: The minister quite rightly calls our attention to the fact that Japan is a good customer of ours, but there is one feature he must not overlook, and it is this: Japan is the largest and one might say, the only large producer of raw silk. She produces 85 per cent of the word's supply of raw silk, and we are already, through this manufacture in Canada, a customer of hers in raw silk. Now she wants to supply us with not only the raw silk but the manufactured article also. We cannot buy both. If she supplies the manufactured article, she cannot supply the raw silk too. I should like the minister to lay the matter over until we get a little more information. I want to present the figures I have from the manufacturers in reference to this matter.

Sir GEORGE PERLEY: I think the minister had better accede to that request. I understand our object in discussing these details in committee is for the purpose of getting all the information we can as to the effect of the changes. The minister himself says he does not know exactly what articles will come under the proposed clause. The department ought to provide a list of the articles that will be affected.

Mr. DUNNING: From all countries?

Sir GEORGE PERLEY: From all countries, and the different kinds of articles, so that we may see how many there are. The minister makes a change in the tariff in general terms and he does not know exactly how it will work out. If we had before us a list of importations from all the different countries which would be affected by the proposed change in the method of computing the duties, we could see for ourselves what difference this was going to make, what articles would be affected, and to what extent. The object of this discussion in committee is to enable us to become better informed than we are now as to what the effect of this change will be on the revenue and on the manufacture of similar articles in this country. I should think the minister himself would want to have the artificial silk manufactured in Canada, provided that the people who make it did not exploit the public and obtain too large a profit out of it. Surely we can make artificial silk in this Dominion as well as any other country in the world. Then why should we facilitate the importation of it as the minister says we are doing under this particular clause? The minister has not told us yet at whose suggestion this change was made. What interests have asked for it?

Mr. DUNNING: Very many importers from all countries in connection with importations which in their aggregate value are small as compared with the whole trade of Canada. But as to finding out just what commodities from all countries are affected, my hon. friend can understand that was a natural question for me to ask a moment or two ago. And the answer is, when one thinks it out: This would involve a search of the customs and excise laws of all countries, some of which laws change very rapidly in these days, and then an endeavour to trace the extent to which the particular change in the particular country has been applicable to imports into this country since August 1, 1928. Perhaps it will help my hon. friend if I give the details making up the figure which I gave a moment ago. The impression appears to be abroad that we are importing more manufactured silk. I know that my hon. friend from Lincoln has in mind specific cases along that line. As to the aggregate difference between the two years during one of which the old regulation was in force, we are really seeking to restore what was the practice from 1919 to 1928.

Mr. CHAPLIN: That will naturally have the effect of restoring the business to where it was before.

Mr. DUNNING: If my hon. friend will bear with me, between the two years in question we have an exact comparison as to what happens when the regulation in force prior to the 1st of May is operative and when it is not. Take raw silk. We imported more raw silk in 1929 than in 1928; $1,200,000 in 1928, and $2,000,000 in 1929. Silk woven in the gum, which I am advised by the people to whom my hon. friend refers is the important item, came in to the amount of $3,088,000 in 1928, and $2,910,000 in 1929, or a

difference of only $100,000 or thereabouts. Of silk fabrics we imported in 1928, $3,500,000, and in 1929, $2,700,000; silk clothing, $158,000 in 1928, and $261,000 in 1929.

Mr. CAHAN: The fabrics show a very great reduction in 1929 below 1928.

Mr. DUNNING: Then take silk manufactures. There were only small importations; $87,000 in 1928, and $76,000 in 1929; other silk goods, $160,000 in 1928, $155,000 in 1929 Those are all the silk imports from Japan, making up the aggregate totals that I gave before of $8,250,000 in 1928, and $8,145,000 in 1929. I give that just by way of information, hoping that it is the information my hon. friend wants.

Mr. CHAPLIN: I had that information myself out of the returns. The information I have gives the monthly imports in the lines in which these people are interested, and shows positively that during the six months after the regulations were put into force there was a decided decrease in the importation of these flat goods in which we are interested. But I will admit that in respect to the whole year the amount given by the minister is right.

Mr. DUNNING: That is the important thing. My hon. friend knows that it is seasonal importation.

Mr. CHAPLIN: Seasonal importation? I will show the minister what happened in one month of one year and in the following month of another year, and so on for the six months, and I will prove my contention to him. All I ask is an opportunity to do so.

Mr. PECK: The language used in this resolution is very general. When you speak of exicse taxes on goods imported into this country, that might have a very wide meaning. What about Scotch whiskey, for instance, or Guinness' stout? Is an excise tax not collected on these articles before they are exported from Scotland or England, and would they not be affected by this resolution?

Mr. DUNNING: My hon. friend forgets that under the present law, which we are now amending, goods from the United Kingdom such as Scotch whiskey are already exempt from excise in the computation of their value under paragraph (b) of section 6 of the customs tariff. Goods of a class subject to excise duty in Canada are now exempt.

My hon. friend spoke of a devious way of doing this. If I had desired to do it in a devious way, all I had to do was to put an excise tax, however small, on silk in Canada, and then under the provisions of that subsection the same object would have been accomplished, but I preferred to deal with the matter as a matter of principle. Also the complaint is made to me by importers that as far as possible the Canadian customs tariff should tell people what duty they have to pay on the goods they import. I think there is a great deal of merit in that contention, in so far as we can accomplish that objective.

Mr. CHAPLIN: You are not doing that in connection with the countervailing duties.

Mr. DUNNING: Yes, we are.

Mr. CAHAN: From the explanation made by the minister, it seems that this is a change made for the jobbers.

Mr. DUNNING: No.

Mr. CAHAN: For those who are bringing in job lots.

Mr. DUNNING: If my hon. friend will permit me, the largest importers in the country made representations, people like Eaton's and Simpson's.

Mr. CAHAN: Yes, but what are Eaton's but the largest jobbers in the country? They are not manufacturers. They have no interest in production in this country. They have no interest in the large employment of labour in this country. They are people who simply fatten upon the cheap wages of foreign countries, and then supply the Canadian consumer with the cheap goods from foreign countries with which the producers of Canada, who pay a legitimate wage and have reasonable hours of labour, cannot possibly compete.

Mr. YOUNG (Saskatoon): Apparently the hon. gentleman never buys anything from Eaton's. I do not find them selling that kind of cheap goods.

Mr. CAHAN: Ah, don't you? Of course they do not sell them cheap; they make a profit. If the consumer profited by the jobber's control, I would have something to say in favour of this change; but the jobber makes a profit and the consumer never recives the advantage of a single one per cent, and Canadian industry suffers and is finally destroyed. This seems to me to be the most haphazard suggestion that could possibly be made. The minister admits that he does not know the extent of its application; he does not know to what countries it applies; he does not know to what imported commodities it will apply. Certainly in a matter of this kind which affects the vital interest of one great industry in Canada we should have more complete information, and the minister

might well hold this over for a day, at least until my hon. friend (Mr. Chaplin) has had an opportunity to obtain his statistics. If the minister insists on going on; we can easily talk it out for ten minutes; but we do not wish to do that.

Mr. DUNNING: I do not intend in any way to compel my hon. friends to talk out the item. I want to be as courteous as I can if they want the item deferred. I am sure my hon. friends want to cooperate with me in this rather heavy task.

Mr. CAHAN: We do, but this is a vital industry in the province of Quebec.

Mr. DUNNING: It would, however, be rather confusing, where there are such a large number of items, if we adopted the practice of leaving some of them over. I am anxious that there should not be errors in the final conclusion of our work, but in this matter I shall try to meet my hon. friends.

My hon. friend from St. Lawrence-St. George has said that the minister does not know what will be the effect, and so forth. May I repeat that Canada established definitely, by regulation of the Customs department in 1919, the policy which I am now seeking to have embodied in the law. It was discovered only in August of 1928 that what I now contend should be law was not the law, after ten years' experience. So far as I know, no one asked for a ruling bringing into effect the condition which should have obtained since August of 1928 until to-day. The test of experience of the degree of complaint during that ten year period is surely evident that on the matter of principles we are on sound ground. It is, as my hon. friend states, virtually impossible to search the excise laws of all countries just to find out what commodities, if they did come into Canada, would be affected by this provision. I can only say that by this provision Canada goes back to exactly the position she occupied prior to August 1, 1928, and during all those years no one, as far as I know, in this house or outside of it ever made any complaint as to the manner in which the provision was administered. There is just a legal technicality upon which the change was made. I will let the resolution stand, Mr. Chairman, and pass along to the next one.

Sir GEORGE PERLEY: Might I suggest that the minister endeavour to get as much information as he can as to what articles will be affected by this change?

Mr. DUNNING: Between now and to-morrow afternoon I will get as much information as is available. I cannot undertake that it will be complete, because to search through the excise laws of all countries would involve a very great deal of work.

Sir GEORGE PERLEY: Might I suggest that the resolution stand until Monday if my hon. friend from Lincoln (Mr. Chaplin) is to be here when it is further discussed.

Mr. DUNNING: When there are so many items to be dealt with it is hardly fair to ask that they stand over while hon. members are absent. However, we will let the item stand now, and I will try to meet my hon. friend's convenience to the fullest extent.

Mr. ARTHURS: I would suggest to the minister that to-morrow he come prepared to give the house this information: What class of importers made the request for this change? Are they confined entirely to the silk industry, or do they include others? What countries will be affected and the amount of trade involved?

The CHAIRMAN: Number 2 stands.

3. Resolved, That Schedule A to the Customs Tarif, being chapter forty-four of the revised statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928 and chapter thirty-nine of the acts of 1929, be further amended by striking thereout tariff items, 5, 6, 7, 8, 10, 14, 15, 16, 18, 28a, 36, 37, 38, 47, 49, 50, 52, 53, 56, 57, 58, 59, 60, 60a, 61, 61a, 63a, 67, 69, 83, 83a, 84, 85, 86, 87, 87a, 87b, 88, 89, 90, 90a, 90b, 90c, 90d, 91, 92, 93, 94, 95, 96, 97, 97a, 98, 99, 99a, 100, 101a, 101aa, 101b, 102, 105, 105a, 106, 109, 141, 148, 149, 167, 168, 183, 200, 202, 207, 235, 235a, 236a, 237, 262, 283, 287, 289, 293, 296, 302, 306, 311, 313, 315a, 344, 344a, 345, 345a, 365, 366, 369, 373, 374, 375, 375a, 375b, 376, 377, 378, 378a, 379, 379a, 380, 381, 382, 383, 384, 384a, 384b, 384c, 385, 386, 387, 387a, 388, 389, 390, 391, 392, 393, 393a, 394, 395, 396, 397, 398a, 399, 400, 401, 402, 403, 403a, 404, 405, 406, 407, 408, 409, 410, 410a, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 433a, 434, 435, 436, 437, 438, 438e, 439, 440, 441, 441a, 442, 443, 444, 445, 445a, 445b, 446, 446a, 446b, 446c, 447, 447a, 447b, 448, 448b, 449, 450, 450a, 451, 451a, 452, 453, 453a, 453b, 453c, 453d, 453e, 453f, 453g, 453h, 453i, 453j, 454, 454a, 455, 456, 456a, 457, 458, 459, 460, 460a, 460b, 460c, 460d, 460e, 460f, 461, 461a, 462, 462a, 463, 464, 465, 466, 466a, 467a, 468, 468a, 469, 469a, 469b, 470, 471, 471a, 472, 473, 474, 475, 476, 476a, 477, 478, 478a, 479, 480, 481, 482, 483, 486, 486a, 487, 491, 492, 494, 494a, 498, 502b, 502d, 506a, 513, 516, 517, 535a, 577, 584a, 588a, 589, 590, 590a, 590b, 590c, 591, 591a, 592, 593, 594, 595, 596, 605, 611b, 636, 637 649, 650, 650a, 657, 657b, 658, 660, 661, 665, 665a, 670, 670a, 671, 671a, 672, 672a, 676, 677, 688, 689, 689a, 689b, 698a, 706, 716, 719, 722, 725, 726, 729, 730, 736, 737, 745, 746, 748, 749, 751, 767, 770, 775, 780, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and by inserting the following items, enumerations and rates of duty in schedule A:

Mr. DUNNING: I may say, Mr. Chairman, that the numbers have been carefully checked, and there are two typographical errors. After the figure 109 in the fourth line of figures insert the figure 139; this was dropped by the printer. Also, over the page, after the figure 502b insert the figure 502c; this again was dropped by the printer.

Mr. LADNER: Will all the items referred to in these different tariff numbers be covered in the new schedule?

Mr. DUNNING: Oh, yes.

Mr. LADNER: In other words, does the new schedule omit some of the tariff items which originally stood under the headings of these particular tariff items?

Mr. DUNNING: No, everything is covered. Certain items are before the committee of ways and means because of the fact that it was necessary to change the numbers, and the simplest way to get it before the committee was to wipe out the old numbers and start with the new schedules; but I can assure my hon. friend that everything covered in the items to be wiped out is being dealt with in the new proposals.

Mr. KAISER: If, for instance, any particular article were imported under No. 10, how are we going to find out under what number in the new schedule that article is being imported?

Mr. DUNNING: If my hon. friend will look at the manner in which the tariff changes this year are set out in the booklet,—which I think he holds in his hand—he will find two sets of three columns each, the first three columns being the present tariff proposals, and the second three the old tariff items. The old tariff item numbers are there given and the rates. So he will be able to get any information as to any item by referring to the list. This year I arranged to have the list incorporated in Hansard so that there would be easily available to every hon. member a comparison between the old and the new.

Mr. STEWART (Leeds): Do I understand that every item stricken out will be found in some place?

Mr. DUNNING: Every commodity in the previous items is dealt with, yes.

Mr. QUINN: I have before me a letter from a music publishing firm in Toronto—a copy of which was sent to the minister—asking that item 475 be extended to the music printing industry, because at the present time only a very small part of the music used in Canada is printed here. This would encourage the printing of music in this country.

Mr. DUNNING: I may say that I have the letter before me, but it would help a lot if the discussion could be on the item itself.

Mr. QUINN: Yes.

Mr. CHAIRMAN: Shall the resolution carry?

Mr. DUNNING: Carried.

Sir GEORGE PERLEY: Mr. Chairman, this resolution covers pages and pages of items. If we say the resolution is carried, that will include all the schedule. I presume we shall take the resolution item by item.

Mr. DUNNING: When I said "carried" I referred merely to that part of the resolution which rescinds the various tariff items there enumerated.

Sir GEORGE PERLEY: All these schedules are part of resolution 3.

Mr. DUNNING: So all we have done is to carry the first part, the deleting part of the resolution.

Sir GEORGE PERLEY: Quite so. Now we start with the schedules.

Mr. DUNNING: Yes. I think the usual practice is to carry each article separately and finally the complete resolution. I move that the committee rise and report progress.

Mr. CAHAN: Before the committee rises, may I ask the minister if there is any objection to laying on the table representations made by Canadian silk factories in reference to this change proposed in the second resolution? Are those representations confidential, or may they not be published?

Mr. DUNNING: Some are, but I know of no reason why such representations as we have should not be tabled; although I may tell my hon. friend there are reams and reams of correspondence about these various tariff items.

Mr. CAHAN: I am dealing simply with resolution No. 2 as to excise duties or excise taxes.

Mr. DUNNING: If my hon. friend desires the correspondence I will try to see that he gets it, so far as it is not confidential.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

## Friday, May 16, 1930.

The house met at three o'clock.

### REPORTS OF COMMITTEES

Second report of the joint committee of both houses on the printing of parliament.—Mr. Marcil.

Fifth report of the select standing committee on miscellaneous private bills.—Mr. Glen.

### STANDING ORDERS COMMITTEE

Mr. L. S. RENE MORIN (St. Hyacinthe-Rouville) presented the second report of the select standing committee on standing orders.

Mr. MORIN moved that the report be concurred in.

Motion agreed to.

### JAPANESE IMMIGRATION

Hon. FERNAND RINFRET (Secretary of State): I desire to lay on the table reference No. 96 in reply to Mr. Black (Yukon) concerning treaty, agreement or arrangement between Japan and Canada as regards Japanese immigration. This is the return alluded to by my hon. friend yesterday.

### PETITION

Mr. W. F. GARLAND (Carleton) moved:

That the petition of Marjorie Mary Gwendolyn Dempsey Davis, of Montreal, Quebec, praying for a bill of divorce from Maurice Edward Davis, which was presented to the house on the 13th instant, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension oi standing order 92 in relation thereto.

Motion agreed to.

### PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 202, for the relief of Mary Ada St. George.—Mr. Garland (Carleton).

Bill No. 203, for the relief of Sam Finkelstein.—Mr. Heaps.

Bill No. 204, for the relief of Martha Barker.—Mr. Gray.

Bill No. 205, for the relief of Janet Ella Pettigrew Thomson.—Mr. Bell (St. Antoine)

Bill No. 206, for the relief of Margaret Jean McClelland Dewar.—Mr. Hay.

Bill No. 207, for the relief of Ada Margaret Ruddick.—Mr. McPhee.

Bill No. 208, for the relief of Wilhelmina Emily Rudolph.—Mr. Bell (St. Antoine).

Bill No. 209, for the relief of Mabel Orion Baldwin.—Mr. Garland (Carleton).

Bill No. 210, for the relief of Antoine George Massabky.—Mr. Sanderson.

Bill No. 211, for the relief of Dorothy Agnes Dowling.—Mr. Garland (Carleton).

Bill No. 212, for the relief of Arthur Leslie Catton.—Mr. Maybee.

Bill No. 213, for the relief of Ruth Lyford Smith.—Mr. Bell (St. Antoine).

Bill No. 214, for the relief of Rhona Elizabeth Shaw Richardson.—Mr. Black (Yukon).

Bill No. 215, for the relief of Richard Trawny Parsons.—Mr. Harris.

Bill No. 216, for the relief of Armand Dufour.—Mr. Geary.

Bill No. 217, for the relief of Jessie Lillian Gwen Richmond-Parry.—Mr. Sanderson.

Bill No. 218, for the relief of Christina Dale Kingsbury.—Mr. Maybee.

Bill No. 219, for the relief of Gladys Hollings.—Mr. Spence.

Bill No. 220, for the relief of Nellie Louise Hughes.—Mr. Anderson (Toronto-High Park).

Bill No. 221, for the relief of Minnie Roberts.—Mr. Black (Yukon).

Bill No. 222, for the relief of Isabella Glennie Lefever.—Mr. Garland (Carleton).

Bill No. 223, for the relief of Aileen Somerville Thomas.—Mr. Gray.

Bill No. 224, for the relief of Harris Charlton, Eckmiere.—Mr. Lawson.

Bill No. 225, for the relief of Rhea Blanche Wilson.—Mr. Harris.

Bill No. 226, for the relief of Edna Wall.—Mr. Lawson.

Bill No. 227, for the relief of Thomas Edwin Warburton.—Mr. Lawson.

Bill No. 228, for the relief of Thomas Garfield McCormick.—Mr. White (London).

Bill No. 229, for the relief of Thomas Richardson.—Mr. Lawson.

Bill No. 230, for the relief of Leslie Gregory.—Mr. Black (Yukon).

Bill No. 231, for the relief of Muriel Laburnum Christie.—Mr. Lawson.

Bill No. 232, for the relief of Edith Matilda Epplett.—Mr. Lawson.

Bill No. 233, for the relief of Ruth Victoria Spooner.—Mr. Black (Yukon).

Bill No. 234, for the relief of John Henry Coulter.—Mr. Lawson.

Bill No. 235, for the relief of Gertrude Anne Williams.—Mr. Casselman.

Bill No. 236, for the relief of Leonard George Edward Bond.—Mr. Lawson.

Bill No. 237, for the relief of Grant Johnston.—Mr. Baldwin.

Bill No. 238, for the relief of Burton Orland Boomhover.—Mr. Peck.

Bill No. 239, for the relief of Augusto Tranzzi.—Mr. Lawson.

Bill No. 240, for the relief of Claire Yale Lacourse.—Mr. McPhee.

Bill No. 241, for the relief of Marion Francis Blewett.—Mr. Peck.

Bill No. 242, for the relief of Hartley Franklin Upper.—Mr. Rennie.

Bill No. 243, for the relief of Florence Edna Curliss.—Mr. Young (Toronto Northeast).

Bill No. 244, respecting a certain patent of The R. M. Hollingshead Company.—Mr. Black (Yukon).

FIRST AND SECOND READING

Bill No. 201 to incorporate the Portage la Prairie Mutual Insurance Company.—Mr. McPherson.

## INQUIRY FOR RETURN

ROYAL MILITARY COLLEGE COAL SUPPLY

Hon. J. L. RALSTON (Minister of National Defence): Some time ago my hon. friend from Kingston (Mr. Ross) asked me a question in regard to a return concerning the Royal Military College coal supply. I have had the papers in my desk for some time, but the hon. member has not been in the house. On inquiry I find that the papers to which he refers have to do with the fulfilling of the contract. I understand the order asked for papers with regard to the tenders, and I wish to inform the hon. gentleman that the papers for which he has asked are way bills. There are about fifteen hundred of them and they are lodged with the Auditor General. If an order of the house were issued we could have delivery of anything the hon. gentleman wished, but I would ask him if it will serve his purpose if I arrange for him to have access to the original documents which are in the hands of the Auditor General.

Mr. ROSS (Kingston): I think my return asked for communications connected with tenders.

Mr. RALSTON: I am instructed that the return was in regard to tenders and communications.

[Mr. W. F. Garland.]

Mr. ROSS (Kingston): I shall have to ask the hon. gentleman to allow me to look over my order again.

Mr. RALSTON: All right.

## FAMOUS PLAYERS CANADIAN CORPORATION

On the orders of the day:

Hon. H. H. STEVENS (Vancouver Centre): I would like to bring a certain matter to the attention of the government. Recently there has been reported the absorption of the Famous Players Canadian Corporation by the Paramount Famous Lasky Corporation of America, and I find that there has been a great deal of discussion about it. I have in my hand the Canadian Moving Picture Digest which contains very extensive editorials and comments of one kind and another in regard to this absorption. I shall read one or two extracts. One of them refers to the Canadian company as being the dominant theatre chain in the Dominion; it states that the Famous Players Canadian Corporation is distinctly a Canadian concern and financed by Canadian shareholders. In part, the editorial is as follows:

> The Famous Players Canadian Corporation if sold to an American company, gives that company a film monopoly in Canada which is worth at least $100,000,000.

I wish to make another observation which represents my right to ask the question. In view of the prospectus issued to the public in March of 1929 wherein it was stated that voting trust certificates were listed on the Toronto and Montreal stock exchanges, and wherein Canadian control of the company was assured to Canadian shareholders, I wish to ask if the government has been apprised of the circumstances connected with the sale of the Famous Players Canadian Corporation to the Paramount Famous Lasky Corporation and if any action has been taken in connection therewith, or whether any action has been proposed.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I cannot answer on behalf of the government as a whole. If my hon. friend will allow the matter to stand as a notice, I will give the necessary answer at a later time.

Mr. STEVENS: Very well.

## AIR MAIL SERVICE TO VANCOUVER

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): I would like to inquire from the Postmaster General (Mr. Veniot) if arrangements have

been completed for an air mail service to Vancouver, and when it is likely that such service will be installed.

Hon. P. J. VENIOT (Postmaster General): Over the mountains?

Mr. LADNER: Yes.

Mr. VENIOT: The survey is about completed and we contemplate starting service this summer.

Mr. LADNER: At what time?

Mr. VENIOT: Daily service.

Mr. LADNER: When?

Mr. VENIOT: I am awaiting the passage of the estimates through the house so that the matter may be put in motion.

## FASCIST FILMS SHOWN IN OTTAWA

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would like to direct a question to the Minister of Justice (Mr. Lapointe) based on an editorial which appeared in this morning's Citizen.

Fascist films were shown in Ottawa last Sunday. It is quite within the law to carry on Fascist propaganda, but some residents of Ottawa, of Italian origin, are rather disturbed about it. They have become Canadian citizens. They dislike the carrying on of a recruiting campaign which has the appearance of preparation for another war.

Apparently this sort of thing has been going on for some time in the United States, and the method used in that country was outlined in a widely discussed article which appeared in Harpers Magazine of November last. I should like to ask the Minister of Justice whether it is legally possible to hold recruiting campaigns in this open fashion, and if so whether steps will be taken to make representations to the Italian government in regard to the matter.

Hon. ERNEST LAPOINTE (Minister of Justice): I shall look into the question as Hansard records it, and if I can give the information required by the hon. gentleman I shall be pleased to do so.

## CIVIL SERVICE

### SUPPLEMENTARY COMMISSION TO BEATTY COMMISSION EXTENDING INQUIRY TO SERVICE GENERALLY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I seek as much as possible to avoid raising questions of privilege. However, at least once in every parliament it seems necessary to make a statement about some article which appears in the Ottawa Journal. This morning the following appears on the editorial page: It is entitled "A Promise, and a Performance":

On September 13, 1926, Mr. Mackenzie King stood in the Ottawa auditorium and addressing an audience composed largely of Ottawa civil servants, made this statement:

Then follows the statement in quotations:

"Last year, I recall we passed an order in council referring to the Civil Service Commission, the whole question of the revision of civil servants' salaries. We referred it to that body because, under a law which was passed prior to our coming into office, the Civil Service Commission was the body which had to do with the regulating of the salaries of civil servants. We made certain requests in the order in council as to the basis on which a revision should be made. When we got the report of the commission it was not satisfactory, either to the government or the civil service. Having had representations from the service in regard to it we referred it back again to the commission."

The quotation continues with the following sentence in italics:

"Now I wish to say that if we are returned to power I intend to use what influence I can to see that the salaries are revised in accordance with the instructions given in the order in council."

The editorial continues:

That was three days before the last general election; Ottawa civil servants took Mr. King to mean what he said, helped return him to power.

On Wednesday, exactly four years after the foregoing pledge, Mr. King arose in the House of Commons and said this:

"So far as the government is concerned I may say we are giving very careful attention to the whole question of what is to be done with regard to the salaries of members of the public service."

The comment of the newspaper on that statement follows in the editorial and is as follows:

No need exists to comment upon what is revealed by these two statements made four years apart. They can be left to the intelligence of Ottawa civil servants themselves.

Mr. Speaker, any person reading that article would be led to believe that I had made a promise on the eve of an election with respect to the salaries of civil servants, that in the interval nothing had been done, and that four years later in speaking again of the salaries of civil servants I had been making reference to the same matter. As a matter of fact, when parliament met after the general election at the very first session this government asked parliament for an increase for civil servants to implement the promise made at that time, and to carry out exactly what was stated in

my remarks at the Auditorium as quoted. If hon. members wish the record they will find it in Hansard of April 14, 1927. At the very first session which was the earliest opportunity, the government in the estimates as tabled placed an amount of $2,700,000 "to provide for flat increases to the civil service, both inside and outside." The hon. the Secretary of State was dealing with this estimate on the 14th of April and made a statement with reference to this flat increase. I shall not read all that he said, but to make clear exactly how the increase related to the service I might quote from Hansard his words in part. They will be found at page 2506:

When this item was called last night I proceeded to give an explanation of the proposed salary revision but I acceded to the request of one hon. member opposite that I defer until to-day any statement that I wished to make, in order that it might be presented to a full house.

Then the Secretary of State went on to say:

The proposal now before the committee is based on the principle of a flat increase to the different classes of the service in receipt of salaries up to $5,100.

Then a little further on:

The proposal is of a dual nature. First it raises the minimum and maximum in every class of the service by the sum of $120 except in the case of the lowest minimum, that is, the entrant class. That has not been touched. Our reason for not increasing the lowest minimum was that entrants to the service are not affected and we thought we should not touch that minimum. This increase is not only for the present year but it is a permanent addition; so that every civil servant not only receives immediate consideration but has an increased maximum at which he may hope to arrive in the future. I might add there have been other increases as well.

Now, Mr. Speaker, those are the facts, and in the light of them if there is any inference to be drawn from my remarks of Wednesday last I submit that it is that when this government makes a promise to the civil servants or to any other body in this country, they may rely on that promise being carried out.

I went on to say on Wednesday that we were considering further the question of salaries of civil servants, and that we were considering the advisability of having the Beatty commission, which investigated the salaries of professional and technical members of the service, consider the service generally in accordance with a recommendation made by the commission in its report to the government. To-day we have asked His Excellency to give his assent, and it has been given to an order in council which will enable that step to be taken. The powers of the commission will be extended to include an examination into the question of the salaries of civil servants generally in accordance with the recommendation to which I have referred. We have also thought it desirable to have referred to that commission for consideration and report the advisability of fixing a minimum salary for employees of the civil service. I have in my hand the order in council which contains these two directions to the commission and I shall table it forthwith.

Mr. HEAPS: Before the Prime Minister sits down may I ask whether on this commission he will have a representative of labour?

Mr. MACKENZIE KING: We will have the same commission which already has gone so largely into the question of the salaries of the civil servants and which is familiar with so many phases of that question. We have thought it would be to the advantage of all concerned to give authority to that body.

Mr. HEAPS: I should like to point out, if I may, that there was no representative of labour at all on that commission and that the chairman is a large employer of labour. I think it would be only fair to labour if they had a representative of labour on that commission.

Mr. MACKENZIE KING: I think my hon. friend will agree that the commission performed its work very thoroughly and in a manner which appears to have been fairly satisfactory to the part of the service whose positions and salaries were inquired into. The chairman is not the only member of the commission, though he is a member whose name is very much respected in this country, and whose judgment in these matters would be regarded as being generous as well as sound.

Mr. WOODSWORTH: Is it not the professed policy of this government that labour shall be represented on all boards and commissions? Mr. Beatty is a large employer of labour, but the Canadian Pacific does not always pay very high wages to its employees

Mr. MACKENZIE KING: All the organizations of the civil service will have an opportunity to appear before the commission.

Sir GEORGE PERLEY: Might I suggest that this order in council be printed in full in Hansard as though it had been read by the Prime Minister?

Mr. MACKENZIE KING: I must thank my hon. friend for the suggestion. I was regretting that I had not asked permission of the house to have it printed in Hansard, and I should like to have it added to my remarks. It is as follows:

P.C. 1053

Certified to be a true copy of a minute of a meeting of the committee of the Privy Council, approved by His Excellency the Governor General on the 16th May, 1930.

The committee of the Privy Council have had before them a report, dated 15th May, 1930, from the Secretary of State, submitting:

1. That by order in council P.C. 664, dated 15th April, 1929, a Royal commission composed of: Edward W. Beatty, Esq., president of the Canadian Pacific Railway; Sir George Garneau, Quebec, and Dr. Walter C. Murray, LL.D., Saskatoon, was appointed to inquire into rates of salaries, pensions, etc., of technical and professional officials of the Civil Service of Canada.

2. That by order in council P.C. 1195, dated 2nd July, 1929, the said royal commission was authorized to include within the scope of its enquiry the salaries of civil service commissioners, board of pension commissioners, railway commissioners and all officers having the rank of deputy ministers and also all such employees of the government whether subject to the Civil Service Act or not.

3. That the said royal commissioners have submitted their report containing certain recommendations and suggestions among which is the following:

"27. Suggested further investigation of the civil service generally.

During the course of our inquiry, we were impressed with the fact that those engaged in technical, scientific and professional work for the government, though they formed a very important branch of the civil service, were still in numbers only a moderate proportion of the total engaged in government service. The cost of government, measured by salaries or wages alone, is substantial, and the number of employees very great. Having in mind the obvious desire of the government, as indicated by the reference to us, to improve the status of its technical officers with a view to increasing the efficiency of that branch of the service, it has occurred to us that an investigation of the civil service generally, i.e., as to numbers, nature of work and rates of pay, might conceivably result in some economy and greater efficiency. We are sensible of the fact that such a work is of considerable magnitude and would involve careful scrutiny of the personnel in each department, and that it would take a considerable time, but we believe the results would more than justify the expense of such an investigation. We appreciate, of course, that this is not a subject which has been referred to us, and that our observations are not strictly pertinent under the terms of the order in council, but the information adduced during the course of the inquiry has pointed so strongly to the possibility of an effective and valuable work being done in this way, in a further effort to improve the personnel and increase the efficiency in government service, that we felt we might, without impropriety, suggest for the consideration of the government that at the appropriate time it might profitably be undertaken."

The minister further submits that in his opinion it is advisable that such investigation should be undertaken without delay; also that the advisability of fixing a minimum salary for employees in the civil service should be considered.

2419—137½

The committee, therefore, on the recommendation of the Secretary of State, advise that a supplementary commission be issued to the said commissioners extending the scope of the inquiry to include such investigation, and also the advisability of fixing a minimum salary for employees in the civil service.

E. J. Lemaire,
Clerk of the Privy Council.

## FIRE AT STE. FLORENCE

On the orders of the day:

Mr. G. L. DIONNE (Matane): Before the orders of the day are called I should like to direct the attention of the Prime Minister to the fact that on the 14th instant a very serious fire occurred in a small village in my constituency named Ste. Florence, which destroyed some fifteen or twenty dwellings and their contents at an estimated loss of about $100,000. I should like to have this case thoroughly investigated and every possible assistance given to the parties concerned.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The request my hon. friend has made is very similar to one which was made from the other side of the house a few days ago and in this case we will follow the same procedure.

## CANADIAN NATIONAL RAILWAYS AND STEAMSHIPS

### INTERIM SUPPLY

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of supply to consider the following proposed resolution:

Resolved, that a sum not exceeding $6,638,030.23, being the amount to be voted by Vote No. 321 for loans to the Canadian National Railway Company and Vote No. 322 for amounts required under the Maritime Freight Rates Act, as set forth in further supplementary estimates for the fiscal year ending 31st March, 1930, laid before the House of Commons at the present session of parliament, be granted to His Majesty for the fiscal year ending 31st March, 1930.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: Mr. Chairman, the object of going into supply is to deal with the report of the special committee which had to do with Canadian National railways and shipping. It was thought that the business of the house would be facilitated by dealing with this matter now.

Mr. STEVENS: Mr. Chairman, I notice that the chairman of the special committee is in his seat. I am not sure whether the report has been presented.

Mr. DUNNING: Yes, it was presented yesterday.

Sir EUGENE FISET: The second report was presented yesterday, but the final report has not been presented as yet.

Mr. STEVENS: I do not rise to present any objection to this resolution. It was pointed out to the special committee by the management of the national railways that it was desirable to pass at least a portion of these estimates as soon as possible in order that work which can be carried on only in the summer months may be proceeded with, and it has been the practice of the house and of members on this side to assist the Canadian National Railways in every way possible in this particular. It was thought, however, that if the committee had completed its work the whole of the estimates might just as well have been passed. As a matter of fact the final report should have been presented and accepted by the house before these estimates were considered. I am not going to raise any particular objection but I wish to put that point on record as a matter of procedure, and to suggest that the report might be tabled at a later stage in the sitting and dealt with to-day, so that at least we should have the acceptance of the report by the house on the same day that we are passing these estimates.

Sir EUGENE FISET: I should like to remind my hon. friend that the second report of the committee contains the two bills which were considered by it as well as the estimates, and that report was presented to the house yesterday. The final report has not been presented as yet, because we could not get a quorum this morning.

Mr. STEVENS: Quite so. I am not desirous of obstructing the passage of this bill, but the final report was completed yesterday and I understood the committee had completed its work. The committee has completed its work and its report should have been at hand before we proceeded with the voting of supply. However, we are not going to object to the passing of these estimates, but I think the procedure I have suggested should be followed in the future.

Motion agreed to.

Mr. DUNNING moved:

That a sum not exceeding $61,070,000, being the amount to be voted by Vote No. 323 for loans to the Canadian National Railway Company; Vote No. 324 for a loan to the Canadian Government Merchant Marine, Limited; Vote No. 325 for a loan to the Canadian National (West Indies) Steamships, Limited; and Votes Nos. 326 and 327 for amounts required under the Maritime Freight Rates Act, as set forth in supplementary estimates for the fiscal year ending 31st March, 1931, laid before the House of Commons at the present session of parliament, be granted to His Majesty for the fiscal year ending 31st March, 1931.

Motion agreed to.

Resolutions reported, read the first and second times and concurred in.

## WAYS AND MEANS

### INTERIM SUPPLY BILL

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING moved:

That towards making good the supply granted to His Majesty on account of the public service for the fiscal year ending 31st March, 1931, the sum of $61,070,000 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Mr. DUNNING moved:

That towards making good the supply granted to His Majesty on account of the public service for the fiscal year ending 31st March, 1930, the sum of $6,638,030.23 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolutions reported, read the first and second times and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 140, for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1930, and the 31st March, 1931.

Motion agreed to, bill read the first and second times and the house went into committee, Mr. Johnston in the chair.

On section 1—Short title.

Mr. CAHAN: Has this bill been distributed?

Mr. DUNNING: This bill is in the same position as any other supply bill. The resolution has just been passed and the bill could not be distributed prior to that. There would be no objection to having the bill stand over pending distribution, but it is being treated in the same manner as supply bills usually are.

Section agreed to.

Sections 2, 3 and 4 agreed to.

Schedules A and B agreed to.

Bill reported, read the third time and passed.

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose last evening it was considering resolution No. 3, but resolution No. 2 had been allowed to stand. No. 2 reads as follows:

2. Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by repealing subsection two of section six thereof and by substituting the following therefor:—

(2) Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purpose of special duty when the goods are entitled to entry under the British preferential tariff, intermediate tariff or any more favourable tariff.

Hon. CHARLES A. DUNNING (Minister of Finance): That resolution was amended.

The CHAIRMAN: This resolution was amended by adding thereto the following as section 2a:

2a. Customs duties of the United Kingdom shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the intermediate tariff or any more favourable tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

Mr. CHAPLIN: Yesterday evening, when we were discussing this item, I asked the Minister of Finance to let the matter stand until I was able to get some papers, because I did not expect that the matter would come up before Monday. I have not yet all the information that I desire to get, but I have been to the department where I have taken the trouble to go through the customs returns and I should like to lay before the minister this aspect of the matter. Taking two months from the time that he speaks of, the 15th August—

Mr. DUNNING: The 1st August.

Mr. CHAPLIN: Well, the 1st August, and taking September which will not be affected entirely by the change, I find the importations of this gummed silk, woven, which we manufacture in Canada, are, in round figures, as follows:

| Month | Yards | Value |
|---|---|---|
| September | 508,000 | $258,000 |
| October | 389,000 | 196,000 |
| November | 410,000 | 231,000 |
| December | 412,000 | 225,000 |
| January | 640,000 | 350,000 |

Now let us take the same months in the following year and see what has happened.

Mr. DUNNING: This is for 1929 now?

Mr. CHAPLIN: Yes. I am not going through the entire year; I am taking the same five months of the following year when the arrangement was fully understood; as compared with those of 1928:

| | Yards | |
|---|---|---|
| Month | 1928 | 1929 |
| September | 508,000 | 287,000 |
| October | 389,000 | 311,000 |
| November | 410,000 | 148,000 |
| December | 412,000 | 245,000 |
| January (1929) | 640,000 | (1930) 305,000 |

The minister gives us the figures for a full year. I am showing how the manufacturer, who is making his living in this industry, views the matter. The decreases in the importations are as follows:

| Month | Yards |
|---|---|
| September | 220,000 |
| October | 75,000 |
| November | 262,000 |
| December | 167,000 |
| January | 335,000 |

Mr. DONNELLY: Can the hon. member compare the importations of 1927 and 1928?

Mr. CHAPLIN: No. I have the other figures on a memorandum which I have at home. I have the matter worked out for several years and I have further information, but I went back to the source from which I got this information and got only the figures for these months so as to show the minister what I had in view.

Mr. DONNELLY: I only wanted to compare the two cases, one where the excise was on and the other where it was off.

Mr. CHAPLIN: I have the information and it tells quite a story. This is a very important matter; this whole resolution is not going to get through to-day, and I think the minister can very well afford to let it stand over until Monday when we can get the whole story.

Mr. DUNNING: The matter is one of important principle in a broad, general way, not merely as relating to silk. The question really is this: Shall goods which are subject to excise duty in the country of origin, become automatically liable to dumping duty on entering Canada, no matter what the goods are? No other nation treats the goods of another nation in the manner that for one year we treated goods of that character. The question is not one of an ordinary duty. From the point of view of international trade a very important question of principle is involved.

Mr. STEVENS: Have the minister and his officers considered this phase of the matter? In Canada we are building up an industry

of this character. I am referring now particularly to silk. This is a situation that we certainly ought to bear in mind. In Canada by provincial laws minimum wages are imposed, whereas in countries such as Japan, Germany, the central European countries and so forth, wages are not at all comparable with Canadian standards of wages. Inasmuch as by statute we impose upon Canadian manufacturers the obligation of paying a minimum wage which is far in excess of that paid in these other countries, has the minister considered the effect upon Canadian industry of the removal of the present measure, bearing in mind just that one phase of the question, the difference in wages? Unless the minister can show that no handicap is placed upon the Canadian manufacturer by virtue of the minimum wage statutes of the provinces, I think we are entitled to have this remain as it is or, as a compensation for it, an increase in the duty.

Mr. CHAPLIN: Last night the minister presented practically the same argument. My contention is that when Japan imposes an excise duty upon an article, that adds so much to the market value of it; that is the price and the fair market value in that country after that duty is imposed. I may be repeating some of the arguments I advanced last night, but this is the situation: Japan is to-day supplying 85 per cent of the world's raw silk product and our manufacturers pay the government of Japan that 10 per cent excise duty. Does the minister realize that? We are doing the paying. That 10 per cent is in the value of the goods. Our manufacturers in Canada are paying that duty. Why should we not add it to the fair market value of the goods?

Mr. DUNNING: I think my hon. friend is wrongly informed.

Mr. CHAPLIN: I am not. How else could it be done? If that tax is imposed in the way of a consumption tax in Japan, who pays it?

Mr. DUNNING: The people of Japan pay it. It is not charged with respect to a commodity when it is exported.

Mr. DONNELLY: What protection have silk and artificial silk?

Mr. DUNNING: The duties are as follows:

| Commodity | Intermediate tariff | General tariff |
|---|---|---|
| Silk | 22½ per cent | 30 per cent |
| Artificial silk | 30 per cent | 35 per cent |

Mr. DONNELLY: I think the duties should be lowered.

[Mr. Stevens.]

Mr. CHAPLIN: The minister has answered the question there. Is that not the case? Does Japan not come under the French treaty?

Mr. DUNNING: My figure was right. The rate of duty applicable to Japan is 22½ per cent.

Mr. CHAPLIN: Is there any deduction for that under the special terms of the French treaty?

Mr. DUNNING: Not that I am aware of, but I will have that checked.

Mr. CAHAN: I would ask the minister if he has laid on the table to-day the correspondence from the producers of these silks in Canada? I am interested particularly in the province of Quebec. I would like to have access to those documents before this discussion is concluded.

Mr. DUNNING: I have no written representations from the silk manufacturers opposed to this measure. I saw them at the request of my hon. friend from Lincoln, and their representations were made orally. There were no written representations.

Mr. CAHAN: I understood that some representations were made in writing, either to the department of the minister or to the Department of National Revenue.

Mr. DUNNING: I have none.

Mr. CAHAN: Would the representations, if made in writing, come to the Department of Finance?

Mr. DUNNING: Unquestionably, I would say.

Mr. CHAPLIN: In respect to the minister's answer given to me in regard to the French treaty, I notice that in schedule D French products are receiving fixed rates of duty, and that silk fabrics over 26 inches in width are rated at 20 per cent.

Mr. DUNNING: My hon. friend asked me a question regarding Japan, as I understood it, and I gave the rates under the intermediate tariff.

Mr. CHAPLIN: I asked the question, does not Japan come under the French treaty? Most decidedly it does. I think, Mr. Chairman, it is not unreasonable to ask that this resolution stand because I have some other information that I want to put before the minister.

Mr. DUNNING: I want this information on record accurately, and I believe my hon. friend does. The item to which he referred he himself said was the item under which there

was the big importation. That item is not affected by the French treaty at all. My figures were correct. The duty against Japan is the intermediate tariff of 22½ per cent, and the general tariff rate on the same article is 35 per cent, for woven fabrics in the gum, to which my hon. friend refers.

Sir GEORGE PERLEY: Will the minister give us some information as to the number of articles that will be affected by this change, and the countries they come from? Last night it was arranged that this resolution be left over until Monday in order that my hon. friend from Lincoln might get his papers. It is true that he is here to-day, but he has not got his papers; they are in St. Catharines. I think the minister should inform us as to the amount of goods that will come in under this clause, what they will consist of, and from what countries they will come in. If he is going to make a change in the tariff as regards the excise duty levied upon silk in Japan, he might have said so; but last night, as I understood it, he himself did not understand how far he was going or how many articles or countries would be affected. This is a broad and important item in the tariff which will require careful consideration, and if there is any information that we have on this side of the house which might be useful to the minister, I think the resolution might be left over until Monday, so that we may present our information and see just what this item means.

Mr. DONNELLY: I understand that most of the silk goods come from Japan, that it is Japan that is in the market against us. What is the excise tax in Japan? Then we can figure out what difference it makes.

Mr. DUNNING: The excise tax in Japan is 10 per cent. In reply to my hon. friend from Argenteuil, I have heard from the gentlemen who were introduced by the hon. member for Lincoln most of the information, I think, which the hon. member for Lincoln desires to present. I do not want to press unduly to get items through, but at the same time I do want to get along a little if possible. With regard to information, my hon. friend from Argenteuil will understand how utterly impossible it is to get the precise bearing of a matter of principle of this kind. As I said a moment ago, it is a question of whether or not the imposition of an excise duty by any country on any class of goods shall automatically render those goods subject to dumping duty when entering this country. That is the whole point. To make any calculation as to what would be involved in that is an impossibility. I can give some information regarding the taxes in other countries.

Sir GEORGE PERLEY: Might I say to the minister that it is a theoretical idea which he has put forward, whether the excise duty should be included for duty valuation purposes. But what about the practical side of the thing?

Mr. DUNNING: My hon. friend misunderstands me. I did not say that it was a question whether or not the excise tax should be included in calculating for duty purposes. I said, should it be regarded as automatically rendering the goods subject to dumping duty? That is a very different thing. The only change that is made is to get away from the situation which has existed since August 1, 1928, by which such goods, in addition to paying the duty, are automatically subject to dumping duty by reason of the existence of an excise tax in the country in which they are manufactured. In France, for instance, there is a sales or turn-over tax of 2 per cent; in Belgium, 1 per cent. In Belgium there is also a 6 per cent luxury tax which is limited in its application to certain articles. In Japan, 10 per cent on fixed values is the excise tax on silk. In Italy, there is a sales or turn-over tax of one-quarter of one per cent on raw materials and one-half of one per cent on manufactured products. Czechoslovakia has a 2 per cent sales or turnover tax and a 12 per cent luxury tax, limited in the range of articles to which it applies. In Spain there is a stamp tax on wines, the precise incidence of which has not been worked out since August, 1928, when the change that we are now attempting to rectify came into effect. In Portugal the situation is very difficult on account of the sales or turnover tax being combined with the business profits tax. It is a matter of great difficulty to our customs people to know whether or not the dumping duty should apply to goods from Portugal because of the nature of their sales or turnover tax. Those are a few of the instances that I have been able to gather this morning, showing the complexity of the situation. There is no difficulty in connection with the levying of a straight duty. The difficulty is only in connection with adopting the principle that automatically goods are dumped because in the country of origin there is an excise tax.

Sir GEORGE PERLEY: I understand the minister's point now. He says he does not think it is fair that this excise tax should be considered when the dumping duty is applied. But the question in my mind is, what is the practical effect of this new clause so far as our own industries are concerned? As far as wines from Portugal are concerned, that is simple enough, because nobody in this country suffers, although the revenue may

suffer a little; but with regard to silk, and artificial silk particularly, that ought to be made in Canada entirely so long as our manufacturers who make it do not exploit the public. We can make it as well as any country in the world, and as I understand this change, it is going to make it easier to import that article into this country. Is that so or is it not?

Mr. DUNNING: I pointed out last night that the regulation I am now seeking to have enforced was brought into effect in 1919 and was operative until August, 1928. Canadian industries continued during that time, and there was apparently no complaint of it. Certainly, I can find no evidence of any complaint.

Mr. CAHAN: Were not complaints made to the minister? Does he mean to say that?

Mr. DUNNING: I am speaking of the period when the condition was just what we are now seeking to make it.

Mr. CAHAN: It never was before in the history of the trade in the same condition as it is now.

Mr. DUNNING: My hon. friend is misunderstanding me again.

Mr. CAHAN: I fully appreciate how the hon. minister is splitting hairs over it.

Mr. DUNNING: I leave it to the committee as to who is splitting hairs. What I am discussing, Mr. Chairman, is the position which obtained in Canada with respect to this matter of excise tax in the country of origin being counted for the imposition of the dumping duty, in reply to my hon. friend from Argenteuil (Sir George Perley), who asked me what will be the likely effect on the industry. In order to answer the question I am pointing out that from 1919 to 1928 the industry of Canada was under precisely the regulation that I am now proposing. My hon. friend says I am splitting hairs.

Mr. CAHAN: Yes, because that has no reference to the present condition, as I am perfectly prepared to show the hon. gentleman.

Mr. DONNELLY: As I see this, Mr. Chairman, it means that if we take off the excise duty in considering the value of the article in the country of origin, the dumping clause goes into effect sooner than it did before.

Mr. STEVENS: That is miles off.

Mr. CAHAN: Mr. Chairman, the hon. Minister of Finance says that this is a matter of principle, and he seeks to deal with it as a matter of principle. The fact is that during the past two years the Canadian factories producing this class of silk fabric have had a certain protective duty in their favour, partly made up of the ordinary duties and partly by an increase under this dumping clause. The passing of this resolution takes away at once one tenth of the protection under the Customs Act which these factories have had. We took away about one tenth of the protection accorded to certain classes of cotton goods in 1928. The two and a half per cent reduction then made meant a loss in one year of over a quarter of a million dollars to one of several companies, and I think I could count upon my fingers losses of at least a million dollars a year by that reduction of their net revenues. Now the practical effect which I understand the hon. member for Argenteuil seeks to acertain is this. If you pass this item reducing the customs duty, by way of wiping out the dumpage, these producers will have to face about one tenth reduction in their present protection. That one tenth reduction means the difference between disaster and success. Even the duties as levied now will not compensate for the low wages paid in Japan as compared with the rate of wages necessarily paid in the province of Quebec under provincial statute.

Mr. CHAPLIN: And in Ontario too.

Mr. CAHAN: My hon. friend from Lincoln says, "In Ontario too." Now, that is a fair consideration to induce the Minister of Finance to retain this particular rate of duty. If the wiping of it out means disaster to these industries, as I believe it does, that is not a matter of principle. What faces the hon. Minister of Finance is a practical question. These duties have been in force during the past two years, nearly. Under these duties these factories have been able to carry on their operations. Now, it is a question of practical policy as to whether you should wipe out these safeguards and put these industries in danger. Will the hon. minister tell us—he must have the information there—what are the number of factories in Canada producing this class of fabric at the present time?

Mr. DUNNING: They themselves inform us there are three factories that will be affected by this change.

Mr. CAHAN: Only three?

Mr. DUNNING: Yes, only three.

Mr. CAHAN: And which are those factories?

Mr. DUNNING: One is at St. Catharines—referred to by my hon. friend from Lincoln—and there is one in the province of Quebec. We are not certain of its exact location.

Mr. CAHAN: Are there not at least two in the province of Quebec?

Mr. DUNNING: Yes.

Mr. CAHAN: That is what I understand. Therefore it bears particularly harshly on employment and the investment of capital in the province of Quebec. I am not interested in the excise duty on some petty articles. but this manufacture has developed under present conditions, and, during the past two years, while there has been depression throughout the world in the manufacture of silk fabrics, this duty has been a protection to Canadian industry. It is not a question of principle. It is a question as to whether you will now put in force this reduction without notice, reducing the protection about two and a half per cent, and wipe out these silk industries, just as you have done under the 1928 tariff schedule with regard to cotton, as a result of which we have to-day on the streets something like two thousand employees in the province of Quebec who have been put out of employment on that account. Owing to this foreign fabric being brought in at depressed prices and slaughtered on our markets, Canadian companies who have been carrying on the textile industry for years have been placed on the verge of bankruptcy. And when I say that I am selecting my words in order to assert the absolute truth.

Mr. McMILLAN: Mr. Chairman, I think it is time that the members of this house were considering the interests of the people of this country.

An hon. MEMBER: That is what we are doing.

Mr. McMILLAN: I have listened since this discussion began last night, and never once have the interests of the consumer been considered by hon. gentlemen on the front benches opposite. I thought this was a protectionist budget. During the whole course of the budget debate we heard nothing else from the opposition benches but that this government had stolen the clothes of the Conservative party; and yet, sir, since we have been dealing with these budget resolutions the whole argument is that the duty is being reduced on these goods which will mean a reduction in price to the consumers of this country. I think it is time the consumers were considered.

Sir GEORGE PERLEY: I suppose the hon. gentleman does not mind a lot of Canadian workmen being put out of work, does he?

Mr. McMILLAN: The history of protection throughout the world will prove, if the hon. gentleman will only study it, that it has never been the means either of paying higher wages or giving greater employment, but rather the reverse.

Mr. CAHAN: Mr. Chairman, I tried last night in the brief statement I then made to put the case of the consumer before the house. If the hon. gentleman understood the course at the present time of the trade in fabrics of this class, and of cotton and wool, he would know that the consumer in Canada does not receive one cent advantage from these large importations from the United States, Italy, Czechoslovakia, Belgium, France and other countries. The course of the trade, as I understand it, is that certain jobbers in this country buy large quantities which are sold abroad at slaughter prices, simply to relieve the local and domestic trade in those foreign countries. They bring them in under a rate of duty levied upon the invoiced value. Sometimes these jobbers manufacture clothing and sell it in job lots throughout this country. However, the price at which they sell is a price fixed by the cost of production in this country. The result is that we are making wealthy a large number of jobbers in this country by the sale of those job lots at high prices, and the consumer has not received the advantage of even 1 per cent in the reduction of duty.

Mr. McMILLAN: You do not think a higher percentage of duty means an increase of cost to the consumer?

Mr. CAHAN: Taking the question of production of fabrics of this class, such as silks, and importations, which we have been making and are now making of cottons from the southern states, woollens from Italy, Czechoslovakia and even from England, do not reduce the cost to the consumer in this country one iota. Hon. members have to make a choice, that is all. Representing the consumers, my hon. friend must make a choice between allowing those kinds of goods to be produced in this country and giving employment here, or allowing the profit which would come to the consumer under the theoretical course of trade, to be made by the jobbers, who do not give employment to Canadian labour, with the exception of a few clerks and some others who are engaged in distribution.

An hon. MEMBER: Would the hon. gentleman say that if these reductions were made it would not lower the price of these articles in this country?

Mr. CAHAN: To the consumer it would be less than 1 per cent. This is a tariff reduction of over 2 per cent which is now being proposed.

Mr. DUNNING: The silk manufacturers claim that it means from 5 to 7 cents a yard.

Mr. CAHAN: This 5 to 7 cents a yard represents a fortune if a sufficient number of yards are sold. However, I am not going into more detail. I have followed the arguments of my western friends as to the protection of the consumer, and I wish to say, with regard to these cheaply produced fabrics, such as cotton, wool and silk produced in foreign countries, brought in here and sold by jobbers in competition with our domestic production, that the consumer does not benefit thereby. The difference is made by way of profit by the large jobbers.

Mr. SPEAKMAN: The hon. gentleman from St. Lawrence-St. George (Mr. Cahan) has introduced a new point. He stated that the jobbers were in the habit of purchasing large quantities of goods in other countries at small prices, bringing them here, selling them and displacing Canadian goods. I admit at once that I know very little about the particular department of business under discussion. I must say however that the question of purchasing at slaughter prices is not affected by this question of 10 per cent excise duty. If purchases were made at slaughter prices, which are not fair prices, the dumping duty would be applied, apart from this question of 10 per cent excise. Purchases in the country of origin might be made upon a proper and fair market value and still might not be subject to 10 per cent excise. There is a great distinction between purchasing a mass of goods at slaughter prices which could of itself bring in the dumping act and attempting, or continuing, to use a 10 per cent excise duty in the other country as part of the cost of the product. I think the contention of the minister is perfectly correct, although I agree with the member for St. Lawrence-St. George that if goods were actually purchased at slaughter prices such a condition might well be looked after. I do not think however that a practice which to my mind is wrong and unsound should be continued. I support the contention of the minister that an excise duty in any country placed upon goods should not be considered as part of the price of production in that country.

Mr. EVANS: I would like to ask if when valuation is made for customs purposes trade discount is taken into account.

[Mr Cahan.]

Mr. DUNNING: I am afraid my hon. friend may have to address that question to the Minister of National Revenue (Mr. Euler); it is the Department of National Revenue which administers the law in connection with these matters. I do not wish to speak with any degree of certainty, but my impression is that trade discounts are taken into account. I would ask my hon. friend however to get that information from the Department of National Revenue.

Mr. EVANS: Is the status of the importer taken into account?

Mr. DUNNING: I am afraid I cannot answer that question.

Sir GEORGE PERLEY: I would like to say to the minister—

Mr. DUNNING: If my hon. friend wishes this matter to stand I shall again meet him halfway.

Sir GEORGE PERLEY: I might explain to the minister that neither the hon. member for Lincoln nor the hon. member for St. Lawrence-St. George has his papers. Hon. gentlemen of this side of the house consider this an important matter, and the question is as to how many articles it applies. We have been discussing silk and artificial silk, but I understand the minister is not sure as to how many other articles might be affected.

Mr. DUNNING: I mentioned wine.

Sir GERGE PERLEY: That would not be of much consequence. We are particularly interested in how it affects the industry of this country.

Mr. CHAPLIN: Will the minister lay the matter over?

Mr. DUNNING: I shall, if my hon. friend desires it. May I ask however to have a little reciprocity in these matters as we go along?

Mr. CHAPLIN: I am sure the minister will not find us as antagonistic as he thinks. To my mind the matter before us is a very important one. At the commencement of this discussion last night I explained that I was short some papers. I have the information from figures which I have found in the papers of the department and which cannot be denied. The manufacturers know what is taking place as to importations; it is their business to know. I may state for the information of the minister that this company was not established in 1919.

Mr. DUNNING: But it was established before 1928.

Mr. CHAPLIN: True enough.

Mr. DUNNING: It would be under the condition which we are seeking to create.

Mr. CHAPLIN: I know that they have been fighting for years to have that provision put into effect. At last they succeeded in convincing the Minister of National Revenue and it has been in effect for two years.

Mr. CAHAN: And now it is being wiped out without a day's notice.

Mr. CHAPLIN: I have heard some hon. gentlemen say that it is only a matter of small importance. The government is taking 5 cents a yard from these manufacturers, and the profit is so small that that 5 cents makes all the difference in the world to them. The Japanese get 85 per cent of the word's silk trade; what they are trying to do is to get both the manufactured and unmanufactured trade in their hands. In this country we pay four times the amount that Japan pays for labour. I have in mind an English concern which has come into my community within the last two or three years, and I may say to my hon. friend that they are paying twice the amount for labour that they would have to pay in England, and four times the amount which is paid in Japan.

Mr. DUNNING: To close the discussion may I say to my hon. friend that they must have known what the Canadian tariff was when they established their factory at St. Catharines. They knew perfectly well at the time they established their business that what has since happened in respect to the application of the dumping duty was not then in operation. It was merely a legal quirk, a legal twist, which brought it into operation. This parliament made no change.

Mr. CAHAN: The government did, by order in council.

Mr. DUNNING: Legally it was discovered that the dump did apply and that the imposition of excise duties in any country automatically rendered the goods exported to this country liable to the dump. This was not an action by this parliament, and I wish to draw a clear distinction there. If hon. gentlemen opposite are right when they say the tariff on silk is not high enough, then the proper way to proceed to deal with it is not by this roundabout method of having a dump automatically apply, because there is an excise duty in the country of origin. They should go before the tariff board and have a hearing; let the public come in and see what are the facts. I have every respect for my two hon. friends opposite, but I would prefer to have both sides presented in a manner which would enable the people of Canada to judge between them, and then this parliament would be in a position to decide as to whether the rates of duty should be increased or lowered. I do not think it is the desire of parliament to continue the operation of something of this kind which is unquestionably wrong in principle. I am prepared to accede to the request of my hon. friend from Lincoln to allow the matter to stand over until Monday.

Mr. CAHAN: Just one word in reply to the minister. The Minister of Finance says that the rate of duty should be a matter considered by the tariff board, and that if the present rate of duty upon silk fabrics is not sufficient it should be raised in order to compensate for the difference between the wage rate in Japan and that in Canada. Why should not my hon. friend proceed now to place this question before the tariff board before wiping out the protection which these companies now enjoy? Let the whole question be placed before the tariff board as to whether this dumping provision should apply, and at the same time the board could consider whether or not the ordinary rate of duty should be raised. When we have several large factories in one province maintaining a certain standard of business and giving employment to hundreds of men and women, why change one provision which gives them protection for the time being without giving them at the same time an opportunity to be heard by the tariff board as to whether or not the regular rate of duty is sufficient to protect them against lower rates of wages in other countries, which in Japan are one-fourth the wages in Quebec, and which in Great Britain are about one-half the Quebec rate.

Mr. CHAPLIN: I just want to direct the attention of the minister to another aspect of the case. These firms started business only a few years ago, and the minister wants to know how it is they continue to do business from 1919 on. I will tell him. When these people started business the prices of Japanese cloth were very different from the prices of to-day. As time went on those prices gradually became lower, until these people were forced to come to the department for redress. That is the situation. However, I do not want to continue the argument; I am quite satisfied to have the matter laid over, and I am obliged to the minister for doing so.

Mr. KELLNER: Can the minister tell us whether any imports of tobacco are affected by this provision?

Mr. DUNNING: No, we know of none. Such tobacco as comes from England is exempt under the existing law.

The CHAIRMAN: Resolution No. 2 stands.

Resolution stands.

5. Animals, living n.o.p. British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent. Provided that, if any country imposes upon such animals produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such animals entering Canada from such country.

The CHAIRMAN: This item was before the committee last evening.

Sir GEORGE PERLEY: As this is the first item which provides for countervailing duties I would like the minister to give us a little explanation as to how he thinks this will work out in practice. For instance, supposing someone in Canada wished to import into this country an animal from Czechoslovakia or Poland or some other country where the dtuies are higher than they are in Canada, would that person be able to get that information from the department immediately without any difficulty, before purchasing the animal and ordering it sent here?

Mr. DUNNING: Yes.

Sir GEORGE PERLEY: They have all that information?

Mr. DUNNING: Yes.

Sir GEORGE PERLEY: In all the various customs offices throughout the country?

Mr. DUNNING: Yes, the foreign tariff division has that information.

Sir GEORGE PERLEY: A man in Calgary, for instance, who wished to import an animal could get information there as to the duty he would have to pay?

Mr. DUNNING: Yes.

Mr. CHAPLIN: What would you do in the case of the French tariff, which changes over night?

Sir GEORGE PERLEY: The same condition applies to the United States; their duties are liable to be changed very quickly. I am not quite sure how long it takes to change their tariff at the present time.

[Mr. Chaplin.]

Mr. CAHAN: Sometimes a presidential decree can be put through in forty-eight hours.

Sir GEORGE PERLEY: The president can change the tariff after consulting the commission. That would mean that our duties would change from week to week, exactly as their duties change?

Mr. DUNNING: Against identical goods coming from that country.

Sir GEORGE PERLEY: That is, if an importer in this country wished to bring in an animal from the United States first he would have to find out the duty on the same animal going into the United States before he would know what he would have to pay here?

Mr. DUNNING: The tariff changes are not so frequent as to cause difficulty in that connection.

Sir GEORGE PERLEY: Quite so, but we have known times when they have occurred quite frequently. At any rate, an importer bringing animals into this country would have to inquire as to the duty on animals of the same kind going into the United States before he would know what he would have to pay in order to bring those animals into Canada?

Mr. DUNNING: He could get that information at any Canadian customs port.

Mr. LADNER: What were the imports under this item from the United Kingdom in 1929?

Mr. DUNNING: Nearly $37,000.

Mr. LADNER: According to the trade returns there were no imports. There were importations of animals to improve stock, but not otherwise.

Mr. ROWE: In what way does the minister hope to make an improvement either in British or Canadian trade by removing the 15 per cent duty on live animals?

Mr. DUNNING: I have just pointed out that our imports of all animals from the United Kingdom amounted to nearly $37,000 during the last fiscal year.

Sir GEORGE PERLEY: Under this item?

Mr. DUNNING: Under this item, and from the United States during the same period they amounted to $281,000. In considering the matter it seemed to me that it was rather absurd to have a tariff of 15 per cent against Great Britain on live animals, judging from the relative smallness of the trade. Of course, there are some special types of animals, not

particularly farm animals, which reasonably might come from that country, but many of those come in under the other heading for the improvement of stock, and enter at a very low rate.

Mr. CHAPLIN: Do those figures include animals brought in for the improvement of stock?

Mr. DUNNING: No.

Mr. CHAPLIN: The figures you gave are the figures for dutiable imports?

Mr. DUNNING: Yes.

Mr. CHAPLIN: The minister gave us the figures for imports from the United States. Would he let me know how much of that total represents the importation of horses?

Mr. DUNNING: $219,000.

Mr. CHAPLIN: Horses were the largest single item?

Mr. DUNNING: Yes.

Mr. CHAPLIN: And what was the value of those horses?

Mr. DUNNING: $219,000.

Mr. CHAPLIN: And I believe that represented some three thousand horses. In other words, these horses were worth $70 each. What were they used for? As I understand the minister's object in changing that duty, it is to change the trade from the United States to Great Britain.

Mr. DUNNING: I did not say that at all.

Mr. CHAPLIN: Then what is the object of making this change and putting this item on the free list? Is it to allow more English horses to come in to compete with the American horses? The only English horses which are dutiable are those valued at around $500 each, and those are not used for the improvement of stock. They are used as hunters or as sporting horses. The purchasers of such horses are able to pay the duty into the revenue of this country, and now it is proposed to allow such animals to come in free.

Mr. DUNNING: In one breath my hon. friend talks about imports from the United Kingdom, and in the next of imports from the United States.

Mr. CHAPLIN: I can breathe twice, and there is no harm in talking about both classes of imports.

Mr. DUNNING: I must object to my hon. friend mixing them up.

Mr. CHAPLIN: I am far from being mixed.

Mr. DUNNING: Last year $219,000 worth of horses came in from the United States.

Mr. CHAPLIN: And I told you there were three thousand.

Mr. DUNNING: And then my hon. friend went on to state that it was the wealthy man's horse which was imported from the United States.

Mr. CHAPLIN: I never said anything of the kind. I said that the horses coming from England were hunters and valued at about $500 each, and it was now proposed to allow that class of animal to come in free. I say that that is not right, either from a business or an economic point of view. The people who bring in that class of horse should pay a duty.

Mr. DUNNING: Thirty-six thousand dollars worth of horses came in from England last year.

An hon. MEMBER: Sixty-nine horses.

Mr. DUNNING: Sixty-nine horses. We farmers are very much worried about that.

Mr. CHAPLIN: We farmers?

Mr. ROWE: When the hon. minister mentions "we farmers," I think he must realize that many of us are trying to breed that type of horse. In what way does it assist Canadian trade to take from the treasury approximately $4,000 on that single item? The price is reduced by $75 on high-jumpers, Irish hunters, and animals of that class which the minister or the Prime Minister (Mr. Mackenzie King) would wish to ride. Such a reduction is in direct competition with those of us who are endeavouring to produce that type of horse. I cannot see any reason for this change unless it is to camouflage the exact meaning of British preference. This reduction from 15 per cent to the free list on this item offers competition to the Canadian farmer. Horses brought in for breeding purposes are allowed in free of duty, and last year about seventy-five horses of that class were brought in, valued at $1,000 each.

Mr. DUNNING: Breeding stock.

Mr. ROWE: Yes, breeding stock.

Mr. DUNNING: And they were allowed in free.

Mr. ROWE: Yes.

Mr. DUNNING: And they are allowed in free at the present time.

Mr. ROWE: Yes. This is all unpedigreed stock. The same applies to the sheep and cattle, and all down the line. The pedigreed sheep brought in numbered about 210, valued at about $94 each. The unpedigreed stock imported numbered about 15 sheep valued at $12 each. A reduction of 15 per cent is being made to help British sales. The same thing applies to cattle. The importations amounted to 388 head of pedigreed stock worth about $400 each, allowed in free for the purpose of improving stock in this country.

Mr. CHAPLIN: They were allowed in free before.

Mr. ROWE: Yes, that is quite true. In order to show a great preference to British trade, it is proposed to reduce the duty from 15 per cent to the free list on four head of cattle worth $125 each, which does not equal the price we would be receiving for our dairy cows if we had reasonable protection. The same situation applies to the items all down the line; in some cases the duty is reduced by 15 to 20 per cent. This seems to me to be evidence of the effort to camouflage the real meaning of British preference, in putting on the free list items which would not account for very much trade.

The reduction on the duty on horses will amount to about $75 per head, and, as the hon. member for Lincoln (Mr. Chaplin) has said, it gives a benefit to a certain class of purchaser. Those horses are brought in to show how high they can jump at the Royal Winter fair and the Canadian National exhibition, because I venture to say that out of the 56 horses of unpedigreed stock worth about $500 each, every one would be found to possess some qualification in jumping or hunting. An unpedigreed horse worth $500 must possess other qualifications. That is the sporting type of horse, the show horse, the high-jumper or the race horse, and it is proposed to give a reduction of $75 per animal to the purchasers of that type of horse. The Minister of Agriculture (Mr. Motherwell) knows that the farmers of Canada are making an effort to breed this type of horse. His department has made grants to special committees to help in the development of the high class type of hunter. Rapid advancement has been made in the breeding of this type of horse, and I believe the Minister of Agriculture realizes that this preference will offer direct competition to those whom his department is endeavouring to assist.

[Mr. Dunning.]

Mr. CAHAN: For the purposes of this discussion, would the Minister of Finance state succinctly just what countries are covered by the British preferential tariff?

Mr. DUNNING: They are as follows:

The United Kingdom;
The British colony of Bermuda;
The British colonies commonly called the British West Indies, including the following,—
The Bahamas;
Jamaica;
Turks and Caicos islands;
The Leeward islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat, and the Virgin islands);
The Windward islands (Grenada, St. Vincent and St. Lucia);
Barbados;
Trinidad and Tobago;
British Guiana;
British India;
Ceylon;
Straits Settlements;
New Zealand;
Union of South Africa;
Southern Rhodesia;
any other British colony or possession admitted to the benefits of the British preferential tariff in Canada, in the manner hereinafter provided;

By an order in council passed since that time the benefits of the British preferential tariff have been extended to the following countries:

Swaziland;
Basutoland;
Bechuanaland protectorate;
Northern Rhodesia;
Nyasaland protectorate;
Uganda protectorate;
East Africa protectorate;
Protectorate of Northern Nigeria;
Colony and protectorate of Southern Nigeria;
Gold Coast;
Sierra Leone;
Gambia;
Somaliland protectorate;
Federated Malay States;
British North Borneo;
Sarawak;
Brunei;
Mauritius and dependencies thereof;
Seychelles;
St. Helena;
Ascension;
Friendly or Tonga islands;
Fiji;
Falkland islands;
British Honduras.

Later on the preference was extended to the Irish Free State, the territory of Western Samoa and to Newfoundland.

Mr. CAHAN: Does not the minister think that in dealing with so many different and diverse countries it is rather absurd to insert the following provision:

Provided that, if any country imposes upon such animals—

As it is in this case, or commodities, we will say.

—produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such animals (or commodities) entering Canada from such country.

Is that not an entirely wrong policy? I am for the moment leaving out of consideration the fact that is alleged that this enables some other country by its own arbitrary action to determine what shall be the customs duties on importations into Canada from that country, but does not such a provsion introduce into the Canadian tariff such complexities as shall be for all time a source of widely extended and increasing embarrassment? I submit to the Prime Minister that the policy in a country such as Canada, as agreed upon by the representative opinions of both parties, in certain cases at least is that the tariff of Canada should be enacted in view of the special conditions which prevail in this country and not in view of the special conditions which prevail in any other country.

Mr. DUNNING: That is what we are doing.

Mr. CAHAN: I have looked through various tariff discussions which have occurred and that pronouncement or one to that effect has been frequently made by leaders of the Liberal party.

Mr. MACKENZIE KING: That is sound. That is what we are doing in this budget.

Mr. CAHAN: I knew the Prime Minister would regard that as sound. I have not any quotations at hand, but I could produce from some of my right hon. friend's own addresses quotations along that line. Conditions prevailing in Canada are different from those prevailing in New Zealand or Australia or South Africa or the African states, and very different from those prevailing in the tropics, such as the Windward islands, the Leeward islands and all the rest of them of which I have a clear vision, because I have visited them more times than I can now remember. Therefore it seems to me that the essential principle should be to determine what rate of duty on any particular commodity is reasonably necessary to meet the conditions surrounding the production of that commodity in our own land. We may advocate protection or free trade in the extreme, but as practical policies they do not now exist in this country. The governments of the past have adopted as a practical policy that those productive activities of this country which afford remunerative employment to our people and which tend to develop our natural resources and to utilize them in the processes of refining and manufacture, are entitled to favourable consideration, especially if they have been long established. I think I remember one address delivered by the Prime Minister in my native province of Nova Scotia some years ago, where he laid down the policy that industries that had been long established in Canada should receive favourable consideration from the government. He did not say exclusively by customs tariff, for he did suggest that even outside of the customs tariff there were many ways whereby such productive activities could be encouraged in this country. What the Minister of Finance is doing now is this: he is neglecting to give any consideration to the special conditions which prevail in Canada.

Mr. DUNNING: No.

Mr. CAHAN: He is neglecting, overlooking and turning his blind eye to all the industrial activities which properly and justifiably, in the opinion of both sides of the house, may be carried on in this Dominion.

Mr. DUNNING: No.

Mr. CAHAN: He is saying that the tariff will not be determined by the necessities of domestic production.

Mr. DUNNING: No.

Mr. CAHAN: Yes, he is saying that. He is saying at least that such shall not be the primary and potent consideration in the mind of the government and parliament in imposing these duties. He is saying that some foolish and feeble attempt will be made to retaliate by countervailing duties against another country if it imposes on its imports of certain commodities from Canada a higher duty than we in Canada impose upon such commodities coming from that other country. I do not want to use an extreme word, but that seems to me to be a foolish and feeble foundation for any economic or fiscal policy which should be adopted in a country such as this. I can picture many countries between here and Patagonia, if you will, many of those countries of Central and South America, and I am simply indulging in an idea that I may not live to see carried out but that I believe another generation will, namely, that extensive markets for the products of Canada will some time be found south of the Rio Grande in Central America and in the South American republics. Another generation will appreciate that fact. This generation does

not. Why, then, should we impose upon Brazil in regard to any special commodity a higher rate of duty than is essential for the proper development of that industry in Canada, simply because Brazil, in dealing with the wide world, finds that to protect—I shall use the word in its proper sense—its own industrial activities, it has to impose a higher duty than we do against the world. It seems to me that we are proceeding on a wrong basis; that the primary aim and object should be, by common censent of both parties, to impose a customs tariff solely with a view to its beneficial effects upon the productive activities of our own country, without special regard to those different conditions which may prevail in other countries in Europe and the Americas. With that in view I should like to say that with regard to all the provisions in the list similar to those I have just quoted, they seem to me to be futile, ineffective, and I would almost use a stronger word if it were parliamentary.

Mr. DUNNING: I am quite sure my hon. friend would. Let us look at this item from a practical point of view and see what it really does. It says to nations of the British commonwealth that Canada is willing to trade with them in live animals on a reciprocally free basis. To the countries under treaty we say with respect to animals: The tariff that we consider fair is 22½ per cent. We will welcome reciprocity with you on the basis of 22½ per cent. We say to the United States and to all those countries under the general tariff: Our tariff is 25 per cent, and we do not go below that except under the special provisions of section 11 of our customs tariff, which have been there for a number of years so far as the United States is concerned. We say to them: We are satisfied with a 25 per cent tariff, and we would like to meet you reciprocally on that basis. If you come down to 25 per cent, our tariff comes down to 25 per cent in connection with animals. That is what we say. My hon. friend regards that as impracticable and foolish. I am inclined to think that it is a common sense policy which will appeal to our people.

Mr. ROWE: I wish to ask a question for information with respect to that 25 per cent duty. Has any arrangement been made to change the valuation? For instance, the United States have always had a higher valuation on our animals going in there than our valuation on their animals coming in here. Last year several carloads of cheap horses came into this country from Montana and some were sold in the city of Toronto at a valuation of $30 apiece, while our horses enter the United States valued at approximately $100 apiece.

Mr. DUNNING: That would be a matter of customs administration as to the value.

Mr. ROWE: But would the countervailing duty principle enable our customs officers to raise their valuation?

Mr. DUNNING: It would make no difference whatever to the powers of the customs officers in that regard.

Mr. ROWE: The minimum valuation on our horses going into the United States is $100, while our valuation is much lower. That makes quite a difference so far as the cheaper class of horses is concerned.

Mr. DUNNING: There is at present in our tariff an item with respect to horses. There is at present a specific rate of duty, which is not touched by this revision, on horses valued at $50 or less per head. The rates are $10 $12.50 and $12.50 per head.

Mr. CHAPLIN: That depends on the age of the animal?

Mr. DUNNING: No, on horses valued at $50 or less per head. That item has been in the tariff for many years, presumably to deal with that class of horses.

Mr. ROWE: A duty of $10 or $12.50 per head would mean that the United States could send in here carloads of horses from Montana and elsewhere, a cheap type of horse. We have had too many of them during the past few years coming in here from different parts of the United States.

Mr. DUNNING: Does my hon. friend know how large the importation really was under that item, how many horses came in?

Mr. ROWE: I cannot say how many.

Mr. DUNNING: Only $6,000 worth during the whole year.

Mr. ROWE: With a higher valuation against our horses by the United States, it would mean that the duty would not countervail at all.

Mr. DUNNING: There is no countervailing duty on horses under $50 per head. We are discussing living animals, which includes all horses save those valued at less than $50 per head.

Mr. ROWE: I have seen many come in here at a valuation of $30 a head, and our horses of the same type would be valued when they went into the United States at $100 or $150 a head.

Mr. KENNEDY: This is an interesting item, but I do not know that it means a very great deal. It applies to animals living, n.o.p. I have no special objection to the provision, but I do not think it means a very great deal. I have here the Trade of Canada for the calendar year 1929, and I find that cattle from Great Britain, n.o.p., were imported in 1928 to the number of four head, valued at $525; in 1929, five head, valued at $1,351. Our imports of hogs n.o.p. were nothing in 1928 and nothing in 1929.

Mr. DUNNING: Hogs are not included in the item under discussion. They are a separate item.

Mr. KENNEDY: There is a little confusion in the items. Item No. 5 is animals, living, n.o.p., and item No. 6 deals with live hogs. In the Trade of Canada I find an item, hogs, under animals for improvement of stock, and then another item of hogs, n.o.p., under animals living. We have hogs, n.o.p. Apparently the other hogs were free, hogs for improvement of stock and exhibition purposes. I am dealing with the n.o.p. article. In the Trade of Canada, for the calendar year 1929, I find that we imported of horses, n.o.p., 71 head in 1928, valued at $38,013, and 44 head in 1929, valued at $24,439; sheep, n.o.p., 19 head, valued at $226, in 1928, and 7 head valued at $105, in 1929. There is an item further down on page 42, all other animals, living, n.o.p. under which our imports from the United Kingdom amounted to $12,754 in 1928, and $11,073 in 1929. So that as far as the British preference is concerned, it may be possible to develop some business as a result of this change in the tariff, but I do not think it means a great deal.

When we come to the other side, to the exports and imports between the United States and Canada, I find that the total value of all living animals brought into Canada in the year 1928, which includes all animals for exhibition purposes and improvement of live stock, was $3,165,941; from Great Britain, $303,010, and from the United States, $2,852,531. I am not going to weary the house by giving the 1929 figures, but they are in about the same proportion. When we come to our exports, we exported total animals, living, to the value of $17,492,491 in 1928; to the United Kingdom, $90,985, and to the United States, $16,648,945. In 1929, we exported total animals, living, to the value of $16,453,235; to the United Kingdom, $61,966, and to the United States, $15,163,226.

My point is this. A countervailing tariff, or brick for brick tariff, if you like to call it that, does not amount to very much when we exported to the United States 16 million dollars in 1928 and $15,000,000 in 1929, and imported from the United States about $2,800,000. I am afraid that a small amount of duty on that little surplus being exported from the United States to Canada does not mean a great deal to the Canadian farmer. So that a brick for brick policy or countervailing tariff on a certain specified item does not necessarily mean a great deal. It all depends on which way the goods flow.

Mr. DUNNING: If it should possibly have the effect of attracting consideration in the United States to the height of their duties against our cattle, for instance, which is a very important consideration so far as the western farmer is concerned, would that not have some real value?

Mr. KENNEDY: It might.

Mr. COOTE: How are you going to determine which value is higher when our tariff on certain items is on an ad valorem basis and the United States tariff is a specific rate of so much per pound?

Mr. DUNNING: Just whichever is greater on the particular consignment in question; that is all.

Mr. COOTE: It seems to me that there might be in one consignment some animals on which 25 per cent would be higher and others where two and a half or two cents a pound might be higher. Apparently it is going to necessitate the customs officers looking over the consignment and figuring the duty both ways and applying whichever one is higher.

Mr. DUNNING: Yes, it may involve that difficulty in some cases.

Mr. KENNEDY: I should like to make a suggestion to the minister. Would it be possible to have printed and filed a statement in connection with each of these items showing the imports from and exports to the various countries? I think such information would save a lot of questioning.

Mr. DUNNING: I should like to help, but I can tell my hon. friend the information is very voluminous. This year I have gone further than ever has been done previously in providing exact comparative information for members with respect to the various items.

I had not previously had any demand for what might be called the wholesale printing of information. My own information comprises five books like the one before me. The information he suggests would be voluminous, and even then one cannot guarantee just the precise information which some individual member may require. I do not think it would be practicable, although for a future occasion I shall be glad to bear in mind the possibility of incorporating something further than has been done this year.

Mr. FRASER: Might I direct the attention of the minister to the punctuation in the second line. I am under the impression that the last comma there is in the wrong place. The proviso reads:

Provided that, if any country imposes upon such animals produced in, and imported from, Canada rates of duty higher than are enumerated in this item,—

Now, that goes through every item in the schedules. I think it should be changed.

Mr. CHAPLIN: The comma should come after "Canada."

Mr. DUNNING: I think we can save argument if I promise my hon. friend that I will bring it to the attention of the legal draftsmen who are responsible for putting commas in the proper places. It strikes me on the face of it that my hon. friend's criticism is sound, but I will not venture to dispute with the legal draftsmen on the point.

Mr. FRASER: Is there anyone in the minister's department who will argue that that comma is in the right place?

Mr. DUNNING: I will not take sides in the dispute.

Mr. SENN: Mr. Chairman, it seems to me it would not be asking too much of the minister to show in respect of each of the sixteen or eighteen articles on which countervailing duties are to be levied just what the present duty is so far as these goods coming in from the United States are concerned, as well as the volume.

Mr. DUNNING: Yes, I gave figures a little while ago as to the values of the imports. As to the duties relating to the United States, I have here the present duties and those which, so far as we know, are proposed in the new United States legislation. When I say "so far as we know," my hon. friend will appreciate the difficulty, as those rates are being moved backwards and forwards, at least in prospect, sometimes from day to day. So I cannot vouch for the detailed accuracy of the proposed rates. On cattle entering the United States from Canada the present rates are one and a half and two cents a pound based on weight; the proposed rates are two and a half and three cents a pound. On sheep the present rate is $2 per head; the proposed rate is $3 per head. On horses valued at $150 or less, the present duty is $30 per head and the proposed duty is the same; on horses valued over $150 the present duty is 20 per cent and the proposed duty is the same.

Mr. ROWE: Does the wording of this item mean that if, for instance, an animal or any product produced in Canada is not exported to the United States no countervailing protection will apply?

Mr. DUNNING: This is not a question of protection. It is a question of determining the rate of duty, which can only be determined when the commodity is exported to the other country. The intention is plain, and was conveyed to the legal draftsmen, that if another country imposes upon such animal produced in and imported from Canada a rate which is higher than the rate here set out, then that rate shall apply on their goods coming this way.

Mr. ROWE: Even though we have none to export?

Mr. DUNNING: That does not make any difference.

Mr. ROWE: Suppose we bring in from the United States live animals, finish them here, and then export them to the United States?

Mr. DUNNING: Do we do that?

Mr. ROWE: Yes, both in Quebec and Ontario we do it with horses.

Mr. DUNNING: The term "produced in" has general application in connection with customs administration. There would not be any difficulty.

Mr. ROWE: They would not necessarily have to be produced in Canada?

Mr. DUNNING: No.

Item agreed to.

Customs tariff—6. Live hogs: British preferential tariff, free; intermediate tariff, 1½ cents per pound; general tariff, 1½ cents per pound.

Provided that, if any country imposes upon live hogs produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such hogs entering Canada from such country.

Sir GEORGE PERLEY: What were the importations from Great Britain last year?

Mr. DUNNING: There were no traceable imports from Great Britain. From the United States altogether $23,000 worth came in. My information is that so far as live hogs are concerned, early this spring they did enter to a large degree than ever before at Toronto and some other markets. The figures of last year's imports do not reveal that condition.

Mr. CHAPLIN: From where?

Mr. DUNNING: From the United States.

Mr. GEARY: I would not advise the Minister of Finance to rely on lawyers too much as to where to place commas; I think it would be better for him to consult a grammarian. But it seems to me that this section contains a graver fault than the mere error in punctuation. It provides that:

—if any country imposes upon live hogs produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such hogs—

Which means hogs raised in Canada.

—entering Canada from such country.

Sir GEORGE PERLEY: Putting this item on the free list under the British preferential tariff will not produce any trade within the empire?

Mr. DUNNING: No. This is one of the items, about fifty in number, in connection with which, as I stated in the budget address, it seemed to me absurd to maintain a duty against the other countries of the British empire.

Mr. CHAPLIN: You do not expect to get a revenue from the item, anyway.

Mr. DUNNING: In connection with live hogs?

Mr. CHAPLIN: If you had had a duty you would not have had a revenue.

Mr. DUNNING: No.

Mr. CHAPLIN: You could not have any importation.

Mr. DUNNING: If we may judge from past experience we are unlikely to have any importation of live hogs.

Mr. COOTE: What is the rate imposed in the case of live hogs?

Mr. DUNNING: The present rate is ½ cent a pound and the proposed rate is 2 cents a pound.

Item agreed to.

Customs tariff—7. Meats, fresh, n.o.p., per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3½ cents.

Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.

Mr. CHAPLIN: What were the imports from Great Britain under this item?

Mr. DUNNING: The imports in 1929 were valued at $998,000, of which $667,000 came from Australia and New Zealand, and $316,000 from the United States. We are not proposing any change in the specific rates. The present United States rate on beef and veal is 3 cents, and, as proposed by the Senate tariff bill, 6 cents. On mutton the present rate is 2½ cents and the proposed rate 5 cents. On lamb the present rate is 4 cents and the proposed rate 7 cents. On pork the present rate is ¾ of a cent and the proposed rate 2½ cents. On all other meats the present United States rates are 20 per cent, with a specific rate of 6 cents a pound.

Mr. KENNEDY: In a previous debate the minister said something about negotiating a new treaty with New Zealand. His statement is referred to in the budget. The matter I have in mind possibly should be discussed under the agriculture estimates, but I think it has sufficient bearing on the present item to have a place in this discussion. We are importing large quantities of lamb and mutton from New Zealand and Australia, but we have no statistics to show the respective amounts of mutton and lamb which are imported. As far as I can find out what is happening is that the Department of Agriculture is spending a large sum of money to encourage Canadian farmers to raise lamb. The wholesale price of lamb in Toronto during the year 1929, showed an average of 24.97 cents per pound. In 1929, we imported some of these meats from the United States at an average price of 34.3 cents. We are importing large quantities of mutton from New Zealand and Australia, and in 1929 the average price for Australian mutton was 11.75 cents and for the New Zealand mutton 14.53 cents. From these figures I am sure that New Zealand and Australian mutton are being sold as lamb over Canadian counters. To my mind there is great need for a rigid grading system, to eliminate unfair competition. I am quite satisfied that there have been importations of Australian and New Zealand muton into Ottawa. I do not believe we have been get-

ting Canadian, United States, Australian or New Zealand lamb during the last few months. When the Minister of Finance and the Minister of Agriculture are negotiating a treaty I would like them to bear these facts in mind.

Mr. DUNNING: Thank you.

Mr. GEARY: The question is: When does mutton cease to be lamb?

Mr. EVANS: A countervailing duty is undoubtedly a dealer's measure. It protects only the dealer, and it operates every time at the expense of the consumer. We will say, for instance, that when there is a glut on the American market they will at once raise their duty on foodstuffs. That might apply to meats. In conformity with the terms of the countervailing duty Canada's tariff rate must go up in order to meet that of the United States. That does not prevent the passage of meats across the border from one country to another because prices to the consumer go up in each country. However, it does give the dealer in each country a chance to fleece the consumer, and to my mind that is the effect that the countervailing duty will have upon the Canadian consumer.

Mr. DUNNING: Speaking of this specific item, I cannot agree with my hon. friend when he describes the effect it will have upon the consumer in this country. Canada produces vast quantities of meats, and she exports those meats in competition with the world. As we develop—as I hope and believe we will—a greater cooperative effort for the disposal of those meats, the countervailing duties in connection with fresh meats certainly will not have the effect of raising the price to the consumer.

Mr. EVANS: There has been practically no relationship between the price paid to the farmer and the price the consumer has had to pay the retail stores. That is very largely due to the control of prices by the packers of this country, and this measure will give them greater opportunity to fix their own prices. A countervailing duty cannot be effective in the interests of any country or the interests of the general public unless it comes down to freer trade. It is entirely a dealer's measure, and advantage will be taken by those controlling the supply. We have not taken advantage of countervailing duties when we have been offered free trade. For many years the United States has been offering us free trade in coal. We have never taken advantage of the offer but have chosen to put a duty on our coal, which the consumer has had to pay. Countervailing duties on meats, eggs and any other commodities will always operate against the interests of the consumer. I wish to say that my hon. friend from South Huron (Mr. McMillan) was quite right, despite his party blindness; it would seem that at times he talks in the interests of the general public. There is no doubt that these countervailing duties will raise the cost of living in this country, especially in view of the fact that the packers will have control of prices. Duties will go up in both countries when the supply is in the hands of those packers. Where the local market can be controlled by local supplies the prices may be more regular, but once the supply becomes greater than the local market can handle the price will go up because it is controlled by the packers.



Mr. COOTE: I would like to say a word regarding the remarks of my hon. friend from Peace River (Mr. Kennedy), as to the importation of Australian mutton and lamb. During the past two weeks I have had the unfortunate experience of buying what was supposed to be lamb. I am sure however that it must have been part of an old ewe. That kind of thing is hurting the market for good lamb, and I am inclined to believe that the mutton, or so-called lamb, came from Australia. I would like some information from the minister as to the imports of beef from Australia for the last calendar year, or for the first three months of this year if the figures are available, and while he is giving me those figures he might give me the tariffs on beef and mutton in New Zealand and Australia.

Mr. DUNNING: The Australian duty on meats, frozen or smoked, under the British preference is 2 pence per pound or approximately four cents in our money, and under the general tariff 2½ pence or approximately five cents. I have not before me at the moment the separated figures with respect to the different kinds of meat. The total importations from Australia and New Zealand last year amounted to $667,000.

Mr. COOTE: Have you the quantity in pounds as well as the value?

Mr. DUNNING: Apparently there was no beef imported from Australia in 1929, during which period we imported from New Zealand about $140,000 worth of beef. From Australia we imported mutton and lamb, fresh, chilled or frozen, to the extent of $377,000 and from New Zealand to the extent of $50,000. From New Zealand we imported 487,000 pounds of mutton and lamb and from Australia 2,900,000 pounds.

Mr. LUCAS: Would the minister tell the committee if there were any importations of meat from the Argentine?

Mr. DUNNING: We imported no fresh meat at all from the Argentine.

Mr. LUCAS: It comes in under the head of canned meats, I presume?

Mr. DUNNING: Yes, and we will come to that item presently.

Mr. BRADY: Under this item I should like to direct the attention of the minister to what I consider to be a grave omission from the list of items under the countervailing duties. I refer to fish, which I think should be included under this heading. If any hon. member questions me I can quote from the Bible, from Murray's classical dictionary and from Webster's new international dictionary to prove that fish is meat, and consequently should be included under this item. The fishing industry on the Pacific coast is very important, and I am quite sure that if a few facts are laid before the government they will realize the importanace of including fish under the countervailing tariff.

Here is the situation. At the present moment on the Pacific coast over 315 American vessels are engaged in the halibut trade, and they use Canadian ports without paying any dues at all. There are no harbour dues; they have the full freedom of those ports and they pay only $1 for a fishing licence. They have the full benefit of our railways in order to send their products to the American market, and they are able to get for their fresh fish 2 cents per pound more than the Canadian fisherman gets.

Mr. HEAPS: Why?

Mr. BRADY: There is a duty of 2 cents per pound imposed on Canadian fish entering the United States. The result is that the Canadian fisherman is penalized to the extent of 2 cents a pound on his fish. If, on a stormy day, a Canadian fisherman should be unable to reach the port of Prince Rupert and should turn into the port of Ketchikan, which is seventy miles north in United States territory, he has to pay port dues, entrance and clearing charges, and other things which cost a considerable sum, varying in respect of the size of the vessel. The point I should like to bring strongly to the attention of the minister is this: Why should not the Canadian fishermen be protected in accordance with the principle laid down by the countervailing duty which the government is applying to other commodities? Is he not entitled at least to have that protection which has been afforded other industries such as agriculture? I have under my hand correspondence from many quarters; from the senator representing Alaska; from the report of the United States tariff commission; from the Seattle Fishermen's Association and from the Canadian Halibut Union, and all are agreed that a reasonable solution is possible. Until now we could not get the government to believe that when we advocated something for the relief of the Canadian Pacific fishermen we were not urging retaliation against the United States. That myth is dead; there is no more heard of it now, only I trust that the government will see to it that this very important industry is given relief. It is only what is coming to it and is in accord with the principle which has been laid down under the item now under discussion. Without saying anything further, I hope this matter will receive the immediate attention of the Minister of Finance and that he will add this one item to the present list.

Mr. DUNNING: Of course I shall be very glad to consider anything advanced by my hon. friend, but I would respectfully refer him to the wholesale condemnation of the countervailing idea as expressed by his colleague from St. Lawrence-St. George.

Mr. BRADY: But could you not do something in the way of some landing tax which would give relief to our Canadian fishermen?

Mr. ROSS (Moose Jaw): When these ships come in loaded with their fish is it not an advantage to your ports? Do they not buy the packages in which the fish are shipped, and the ice which is put up by your own workmen? Do not the Canadian railroads carry those fish from your ports to the United States? Do not your ports get vast advantages out of that situation?

Mr. BRADY: That is conceded; they buy their ice there, and no doubt the railways receive substantial profits from that traffic. We desire to have them receive those profits, and we welcome the American fishermen to our port. But the American fisherman who enters our ports is not permitted by his government to have any repairs done, nor can he except in a limited degree purchase any supplies at that port; he must do that in United States territory. In other words, he sells his fish on the exchange in competition with Canadian fishermen at a price 2 cents per pound above that received by the Canadian fisherman, and gets the full benefits of the port. I think it will be agreed that some right lies on the side of Canadian fishermen.

because he is asking only for a fair and equitable agreement.

Prince Rupert is the only harbour on the Pacific coast which meets the requirements of the large American fishing fleet. Ketchikan has no railway connection to the United States market. Last year there were landed in Prince Rupert 30,500,000 pounds of halibut, of which the Canadians sold about 3,750,000 pounds to the United States. If the American fishermen were not permitted to enter Prince Rupert harbour, they would be forced to travel often nearly 1,200 miles to Seattle, and that would be a difficult and dangerous voyage in bad weather even for the larger boats. The Canadian fisherman asks that the provision which is to be applied to other industries should be applied to the third greatest industry in Canada; he asks that this industry be given a fair chance.

Mr. ROSS (Moose Jaw): The explanation given by the hon. member might apply to certain conditions prevailing in British Columbia, but I would like to hear from some of the hon. members from Nova Scotia, New Brunswick and Prince Edward Island.

Mr. BRADY: What are the Americans doing on the Atlantic seaboard? A Canadian fishing vessel on the Atlantic seaboard cannot enter an American port in order to sell its fish; it must return to a Canadian port and transfer the fish into carriers for disposal in United States markets. What is being done in Prince Rupert? American vessels to the number of over 300 enter the port without paying anything, the fish is sold on the exchange in competition with Canadian fish, put into bond and given quick transit into the United States. This question has never been brought by the government before the United States in the right manner, and I do honestly believe that the United States government will assist in a correct settlement of this problem, one which would give to the Canadian halibut fisherman that which he is entitled to. The port of Prince Rupert and the Canadian fishermen should be treated on an equitable basis, especially when one considers that the United States is considering the raising of the duty on frozen halibut to 5 cents per pound.

We have been hearing of Japan in connection with silk, but let us consider that country from a fishing standpoint. Last year the Japanese landed in the city of Seattle 400,000 pounds of very excellent frozen halibut, which was sold at 9 cents per pound, which price included the 2 cents per pound duty. Let us suppose that the rate suggested by the United States tariff board goes into effect—what might happen? Japan would immediately turn her attention to Canada and it would not be very long before a serious situation might exist here. The Japanese can catch the fish, bring them across the Pacific to Seattle, and sell them for 9 cents per pound. Would the Canadian fisherman, operating a five-man boat, be able to compete with the Japanese?

Mr. DUNNING: Will the hon. member explain why Japanese fish are not brought to Canada instead of to the United States? My information is that no Japanese halibut comes to Canada, even though we have a lower rate of duty than has the United States.

Mr. BRADY: They have larger markets in Seattle.

Mr. YOUNG (Weyburn): What is the Japanese rate of duty on halibut?

Mr. BRADY: I do not know, but I know that the American rate is 2 cents per pound. Last year the United States was able to send 1,125,000 pounds of halibut into Canada on a payment of one cent per pound duty.

Mr. YOUNG (Weyburn): You cannot shut out Japanese halibut by a countervailing duty.

Mr. BRADY: Do not try to misinterpret my meaning. My hon. friend will not get me to say something which I do not mean. I made that illustration to show that the Canadian fisherman is entitled to consideration because of the present duty of 2 cents and the threat made by the United States to raise the rate on frozen halibut to 5 cents per pound. It is the little things which swing the pivot or change the flow of commerce. I think I have placed squarely before the finance minister and the government the desire of the Canadian fishermen, namely, to get justice in their fair demands.

Mr. CHAPLIN: Will the minister tell the committee the situation in Nova Scotia?

Mr. ROSS (Moose Jaw): Perhaps the hon. member for Digby-Annapolis (Mr. Short) could tell us.

Mr. SHORT: The hon. member for Moose Jaw (Mr. Ross) has said that he would like to hear from someone from the Atlantic coast. I want to say that I am quite in accord with the statements made by the hon. member for Skeena (Mr. Brady) with reference to a countervailing duty on fish. The Americans are threatening to increase the duty on frozen halibut, and I think we should have a countervailing duty instead of the present rate of one cent per pound.

Mr. DUNNING: My hon. friends have been condemning those countervailing duties; they said that that would be a made-in Washington policy.

Mr. BRADY: Put a straight duty on then, or a port tax.

Mr. SHORT: That is the only thing you offer us, so how can we go after you for anything else? The hon. member for Skeena is quite right in the position he takes. The fishing industry in this country would be in a much better position had we a department of fisheries capable of handling the affairs of the industry. If laws were enacted governing the landing of fish in British Columbia, we would soon find the American fishermen offering us some concessions on the Atlantic. The American fishing vessels are allowed to use our ports without any restrictions; they can enter the port, land their cargoes and transport to the United States, but our vessels cannot enter an American port, even upon the payment of the duty of 2 cents per pound. If we want to send fish to the United States they must be landed at a Canadian port and transhipped into a regular carrier.

Mr. CHAPLIN: Do American boats call at Nova Scotia ports?

Mr. SHORT: They do, but under certain restrictions.

Mr. CHAPLIN: Those restrictions do not exist on the Pacific coast?

Mr. SHORT: They do not exist on the Pacific coast at all.

Mr. CHAPLIN: That is what I wanted to find out from the minister.

Mr. SHORT: A United States boat cannot come into one of our Atlantic ports and purchase bait and other supplies, but United States vessels can do this on the Pacific coast. That is where we have a lever. If we had a business administration handling the affairs of the Fisheries department, they would have looked into the matter long ago and used that lever with the United States. Then the United States would have been willing to give us concessions in regard to our markets for Atlantic fish. That is the answer to that. I am quite in accord with what the hon. member for Skeena has said with reference to the fishing industry on the Pacific coast. If we would look after our own interests on the Pacific coast, we would have our United States friends offering us entirely different terms with reference to our Atlantic fish.

Mr. STEVENS: The question which has been brought forward by the hon. member for Skeena is really worthy of every consideration. I do not want to rebuke the minister, but I think he treated in a rather light manner what was a very fair and courteous presentation, and I notice that some of his supporters rather laughed at the proposal. Let us look at the matter frankly for a moment and let me supplement what the hon. member for Skeena has most ably and courteously put forward. In the Pacific ocean there is a great fishing area inside and outside of territorial waters. The United States fishermen come north from Seattle and fish outside the territorial waters in international waters. They have in the United States no place where they can properly handle that fish. We extend to them without any interference whatever all the courtesies that are extended to a Canadian fishing boat. They bring their fish into Prince Rupert and by virtue of that privilege, a strictly Canadian privilege, which is extended to them, they are enabled to ship about 27,000,000 pounds of halibut a year, chiefly to the New England market, as against 3,000,000 pounds that Canadian fishermen are able to fish into that market. Why cannot the Canadian fishermen ship as much as the United States fishermen? For the very simple reason that the United States impose a duty of two cents a pound on the fish which they handle and can handle only through Canadian facilities. That has been going on year after year. The point is this: the hon. member for Moose Jaw a moment ago asked a question —and I have no criticism to make of the form of it—did not Prince Rupert, a Canadian city, benefit from United States vessels coming in there? Certainly it did to a meagre extent; Prince Rupert under necessity endures that condition, but it would very much rather have Canadian fleets coming in and have the full supplying of those vessels. The United States vessels do not buy their supplies in Prince Rupert. They may buy ice; they may buy some supplies that are absolutely necessary, but they slip along the coast to Ketchikan, which has developed into quite a city through supplying these very boats. But Ketchikan is so situated geographically that it cannot serve in other ways the fishermen whom it supplies. Therefore Prince Rupert is left, to use a slang phrase, holding the sack. In other words, out of this vast fishing industry—and it is vast, because 30,000,000 pounds of one class of fish, namely, halibut, is a considerable quantity—Prince Rupert is taking perhaps one-fifth of what it ought to be getting, or less than that.

Mr. BRADY: A tenth.

Mr. STEVENS: Certainly a very meagre portion of what it is entitled to. For years our United States friends have imposed this rather onerous duty, because two cents a pound on large quantities of fresh fish is, as my hon. friends will realize, a somewhat stiff tariff. I agree with the hon. member for Digby-Annapolis that our United States friends would be very much perturbed if they thought we were going to deny them these privileges which we have so freely extended to them. What we are doing is this, and I will just illustrate the point: the government puts live hogs under the countervailing duty. This does not amount to anything. We get and can get no live hogs from Great Britain. Therefore this does not help Great Britain and it does not amount to much. But fish is a commodity that might be treated in this manner with some advantage to Canada, and that is what my hon. friend is suggesting. He, like the rest of us, would prefer that we talk very plainly to the people of the United States in this regard and put a straight duty on fish. I am not saying that that alone would correct the situation. We should do that and also notify them that we are not going to give them the facilities at one of our ports if they are going to treat the very product handled through that facility in a manner that keeps our people out of the market. I think the proposition was very fairly and well advanced by the hon. member for Skeena and it is a subject that merits the closest scrutiny by parliament and the government.

Mr. BOTHWELL: What is the reason for the difference between the treatment of United States vesels on the west coast and that on the east coast?

Mr. STEVENS: The history of the matter is long and intricate and I am not in a position offhand to answer the question, but from memory I would say this: for many years there has been a modus vivendi on the Atlantic coast. This has been in existence for thirty, forty years, and adjusted from time to time. But the situation on the Pacific coast has grown up more or less gradually. I brought the matter to the attention of parliament some years ago, and if I recall rightly, I think it was before my hon. friend lived in Skeena but it was a good many years ago, anyway, when we took some steps to curtail this practice in British Columbia. For instance, before Prince Rupert was established, these United States vessels, which were quite large, used to bring their halibut down to Vancouver and ship it from that point.

[Mr. Brady.]

Mr. DUNNING: Why would they go to Vancouver rather than to Seattle, the cities being not far apart?

Mr. STEVENS: The question is a little, shall I say, stale in my memory.

Mr. CHAPLIN: They are quite a number of miles apart.

Mr. DUNNING: I asked the question just for information; it is not important.

Mr. STEVENS: Seattle is of course about 150 or 160 miles further.

Mr. DUNNING: A night's run.

Mr. STEVENS: Yes, but they preferred to bring the fish to Vancouver, and I think at that time, which was twenty or twenty-five years ago, they had probably better railway connection over the Canadian Pacific for transportation to the Atlantic coast. I was going to answer my hon. friend (Mr. Bothwell) by saying that on the Atlantic there has been a long standing agreement, quite an old historic arrangement, between the two countries, but on the Pacific coast conditions are different; they are not identical and we have never come to a suitable understanding with the United States. The question of bait and various other matters pertaining to this subject have from time to time been discussed and adjusted, but the matter brought up by the hon. member for Skeena is undoubtedly worthy of consideration.

Mr. BROWN: I understand, however, hon. members opposite do not contend that a duty, either countervailing or otherwise, would in iteslf remedy the disabilities under which the Canadian fishermen suffer.

Mr. STEVENS: Before I answer that question, let me say this: we are trying to discuss this matter without referring to differences of opinion in regard to duties or otherwise. We do not purchase so much fish from the United States that a countervailing duty or a two cent duty would correct the situation to which we have referred, but we do say this: that there should be a duty, and a notification to the United States that these extraordinary privileges which we now accord them will be moderated or changed unless they give us some consideration in their market.

Mr. COOTE: I would like to come back to the question of beef, n.o.p. I asked the minister before what quantities of beef were imported from Australia, and I understood him to say that there was none imported last year.

Mr. DUNNING: I read from the trade summary for the fiscal year 1928-29, but my attention has since been called to the fact that some small quantities below a certain amount in poundage are not there quoted. So there might have been a little imported.

Mr. COOTE: Since I asked the question, I have secured a copy of the Trade of Canada for the calendar year 1929, and the figures are so large that I want to put them on Hansard so that there will not be any misunderstanding. At page 53 I find that for the calendar year 1928 there was imported beef, fresh, chilled or frozen, 282,909 pounds from Australia, valued at $25,298; in 1929, 1,840,675 pounds, valued at $159,250. So far as New Zealand is concerned, we imported 1,756,948 pounds, valued at $125,592 in 1928, and 2,273,-118 pounds, valued at $178,883, in 1929.

Mr. DUNNING: Is my friend sure that he is quoting the product dealt with in the item under discussion, fresh beef?

Mr. COOTE: Yes, the item is beef, fresh, chilled or frozen.

Mr. CHAPLIN: The minister will find the figures for the year 1929 at page 53 of the Trade of Canada, quarterly report, covering October, November and December, 1929, and nine months ending December, 1928 and 1929. Our imports from Australia in 1929 were 964,-250 pounds, valued at $86,653, and from New Zealand, 1,985,735 pounds, valued at $152,974. That is beef, fresh, chilled or frozen.

Mr. DUNNING: I have the Trade of Canada in my hand. This is for the fiscal year, and at page 51, I find no imports from Australia of meats, fresh, chilled or frozen. The New Zealand figure, as I pointed out before, is 1,875,000 pounds, but none is shown as coming from Australia. We will have to trace that up between now and eight o'clock.

Progress reported.

## REPORTS OF COMMITTEES

Third and final report of the select standing committee on railways and shipping—Sir Eugene Fiset.

Seventh report of the select standing committee on banking and commerce—Mr. Geary (for Mr. Hay).

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

## PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 61, for the relief of Herbert Chick. —Mr. Black (Yukon).

Bill No. 62, for the relief of Albert Edward Saunders.—Mr. Young (Toronto Northeast).

Bill No. 63, for the relief of Marjorie Gladys Picken.—Mr. Garland (Carleton).

Bill No. 65, for the relief of Raymond Garbutt Little.—Mr. Garland (Carleton).

Bill No. 67, for the relief of Florence Isabel Naughton.—Mr. Stinson.

Bill No. 68, for the relief of Lucy Beryl Marshall.—Mr. Black (Yukon).

Bill No. 76, for the relief of Kathleen Mary Davies.—Mr. Thorson.

Bill No. 78, for the relief of Louis Battaino. —Mr. Lang.

Bill No. 79, for the relief of Edith May Smith.—Mr. Lennox.

Bill No. 94, for the relief of Eva Verona McColeman.—Mr. Gray.

Bill No. 98, for the relief of Henry Cutler. —Mr. Gray.

## WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the house rose at six o'clock we were considering item No. 7:

Meats, fresh, n.o.p., per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3½ cents.

Mr. COOTE: When the committee rose at six o'clock I was about to place on Hansard figures showing the importations from Australia of beef, fresh, chilled or frozen, in the calender years 1928 and 1929. In 1928 there were 282,000 pounds of beef imported from Australia at a value of $25,000; in 1929 the importations grew to 1,840,000 pounds valued at $159,000. In the year 1928 there were imported from New Zealand 1,756,000 pounds valued at $125,000; in 1929 the importation increased to 2,273,000 pounds at a valuation of $178,000. I would like to point out that the value of the beef imported from Australia in 1929 averaged less than 9 cents a pound. I cannot imagine how Australia can sell beef

at that price; it makes one wonder whether beef is being dumped in Canada or whether it is of a very low quality. If it is a low quality product and if it is not properly stamped so that the consumer will know what he is buying, the result will certainly be to hurt the beef trade in Canada, and diminish the demand for beef of any kind. The beef imported from New Zealand in 1929 came in at an average price of less than 8 cents a pound. It would seem that the packers in Australia and New Zealand must have got the animals for nothing to be able to produce dressed beef at that price. This matter should be very carefully investigated by either the Department of Finance or the Department of National Revenue to see that a proper valuation is being placed upon this imported beef. The Department of Agriculture should also investigate to see whether a very low quality of beef is being brought into Canada and offered for sale in our stores. It may be that in the years to come there will be just as much feeling against the importation of this beef from Australia and New Zealand as there has been in the past year over the question of butter. I wish to draw these matters to the attention of the Minister of Finance.

Mr. JELLIFF: I would like to make a further statement in connection with the subject dealt with by my hon. friend from Macleod (Mr. Coote). At this time I shall quote some figures from a bulletin recently issued by the Dominion Bureau of Statistics. It shows that on the 1st of February, 1930, we had in storage 7,100,107 pounds of frozen mutton and lamb. On the same date we had in storage 594,525 pounds of mutton and lamb, not frozen. The frozen mutton and lamb in storage as of February 1 was 7,100,-107 pounds as compared with a five year average of 4,827,251 pounds, showing an increase in the storage stock of 47.08 per cent. The mutton and lamb in storage, not frozen, was 594,525 pounds on February 1, 1930 as compared with a five-year average of 280,003 pounds, showing an increase of 112.33 per cent. In both frozen and fresh meats there was an increase shown of 50.66 per cent. Some hon. members may say that 7,000,000 pounds of frozen and fresh mutton would make very little difference to the price of lamb and mutton received by the Canadian producer, and that it would represent only one pound per capita. My contention, however, and the contention of the sheep raisers in the portion of the country which I represent, is that this tremendous quantity of frozen and fresh mutton in storage effects a constant decrease in the price of mutton and lamb which the Canadian producer places upon the market. Let me illustrate by giving the figures relating to a shipment which came to Halifax in one boat on March 6 last. I am informed by the live stock branch of the Department of Agriculture that in that boat there were 31,650 carcasses of lamb weighing 1,266,000 pounds. In addition there were 4,000 carcasses of beef from Australia weighing 2,400,000 pounds, and on that same ship there were 270 bales of wool weighing 81,000 pounds. This indicates very clearly the competition which the sheep growers of western Canada have to face from Australia and New Zealand. I am very glad indeed that my hon. friend the Minister of Finance has seen fit to apply these countervailing duties; while they do not have very much effect with regard to frozen meat coming from New Zealand and Australia, they will affect importations from the United States. During the past few weeks I have had scores of telegrams from the sheep growers of southern Alberta complaining that sheep and lambs were about to be exported from the states of Washington, Oregon, and even California into the Vancouver market.

Mr. DUNNING: Live animals?

Mr. JELLIFF: Yes, live animals. I laid this matter fully before the Minister of Finance before the Easter recess, and I think that these countervailing duties, as they apply to live animals, are in part the result of my representations. I am sure this action will be greatly appreciated by the sheep men of western Canada.

Mr. ROSS (Kingston): That is protection, is it not?

Mr. JELLIFF: I am willing to accept it. We have been a great many years building up that sheep industry which, as my hon. friend knows, is of immense value to agriculture throughout the west.

Mr. SPENCE: I am glad to see my hon. friend becoming converted.

Mr. JELLIFF: I noticed that some members of the opposition who voted against the budget last night were crying for the countervailing duties. However, there is another matter in this connection which was brought forward this afternoon by the hon. member for Peace River. I am sorry the Minister of Agriculture is not in his seat. I had this matter of the competition of frozen mutton from Australia and New Zealand with our fresh mutton before the minister on several

occasions last year, urging that if nothing further could be done, at least changes might be made in the Live Stock Products Act compelling the inspection, grading and marking of frozen mutton coming into this country. Two purposes would be served by this change; we would restrict the amount of these importations and we would also assure our people that they would get a good quality of mutton. The Minister of Agriculture intimated that he would introduce an amendment to the Live Stock Products Act during this session to carry that idea into effect, and I am very sure that such an amendment has been prepared by his live stock products branch. In the absence of the minister I want to urge upon the government to-night that they prevail upon him to introduce and carry through that amendment this session, as I believe this house would fully approve of that action and I know it will meet in part the situation in the west.

Mr. ADSHEAD: It must be quite evident that there is a difference of opinion in this corner of the house in regard to this matter. The Minister of Finance has graciously listened to the importunities of my hon. friend from Lethbridge with regard to the sheep growers. I should like him to take into consideration also those who have to buy this mutton and lamb. My working people like a little bit of mutton occasionally, and at the present time they have to pay about 35 cents a pound for lamb chops. I want to know if the minister desires to make them pay any more by putting a further duty on the importation of mutton and lamb so that the sheep growers in Canada may get a little richer at the expense of those who consume the mutton.

Mr. KENNEDY: When your friends order lamb, would you like them to get frozen Australian mutton instead of what they ordered?

Mr. ADSHEAD: I have never asked that particular question; I do not know whether or not they get Australian mutton, but they get good lamb chops. I do not suppose they would have any objection to buying Canadian mutton, but they would object to paying a higher price for it.

Item agreed to.

Customs tariff—8. Canned meats, poultry or game; extracts of meat and fluid beef, not medicated: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. CHAPLIN: I should like to inquire from the minister why he decided to take off 2½ per cent? What was his reason for reducing this item from 17½ per cent to 15 per cent?

Mr. DUNNING: The facts in regard to this item for the year 1929 are as follows: The total importations amounted to $802,000, of which $564,000 came from the Argentine and $99,000 from the United Kingdom. Imports of extracts of meat and fluid beef, not medicated, amounted to $144,000, of which $103,000 came from the United Kingdom.

Mr. CAHAN: Was that produced in the United Kingdom or did it come to us from the Argentine via the United Kingdom?

Mr. DUNNING: It qualified for the British preference, in any event.

Mr. LUCAS: Could the minister give the Argentine rate of duty on these products?

Mr. DUNNING: No, I could not, but there is no countervailing duty proposed on this item.

Mr. CHAPLIN: Our duty against the Argentine now is 27½ per cent, and the minister has reduced the British preference to 15 per cent. I should like to know the object in taking off only 2½ per cent. Does the minister think the reduction of 2½ per cent will increase our imports from Great Britain? Did the minister hear what was said with regard to beef from New Zealand and Australia, that it was being entered through the customs at 8 and 9 cents a pound? I heard a gentleman say just now that mutton was being sold at 35 cents a pound, and I would like to know what that beef sold for that was brought in at 8 and 9 cents a pound. I never heard anything of it; I never heard of anyone buying beef at any such figure as 8 and 9 cents a pound plus an ordinary profit. What has become of it? Who makes the profit on it? Where does it go? That beats any manufacturing business of which I ever heard. I think it would be a good thing for the minister to try to find out where this beef goes. Certainly none of our people get it, unless it has been canned or embalmed. I know none of the workers in my district ever get any of it at those prices.

Item agreed to.

Customs tariff—10. Meats, n.o.p., per pound: British preferential tariff, free; intermediate tariff, 1¾ cents; general tariff, 2 cents.

Provided that the weight of a barrel of pork for duty purposes shall not be less than 200 pounds; provided, also, that if any country imposes upon such goods produced in, and imported from, Canada rates of higher duty than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.

Some hon. MEMBERS: Carried.

Mr. CHAPLIN: Wait a minute. Apparently some hon. gentlemen do not know anything about these items and do not want to know anything about them.

An hon. MEMBER: We know more than you do.

Mr. CHAPLIN: There was no trade with Great Britain in pork or smoke meats; there was 64 pounds of sausage imported from Great Britain.

An hon. MEMBER: Hot dogs.

Mr. CHAPLIN: Does the minister expect any imports under this item from Great Britain? I am interested in knowing what business the minister expects to receive from Great Britain under these various items.

Mr. DUNNING: I shall be glad to give that information on every item, even though it is not asked for. It is utterly absurd to have a tariff against Great Britain on many of these items, and our trade information regarding this particular item emphasizes that fact.

Mr. CHAPLIN: That is the minister's opinion, but I do not agree with it.

Mr. DUNNING: If my hon. friend will only wait I will give him the reasons for my opinion; will he kindly possess his soul in patience? He asks me for information and before I can give it he jumps down my throat.

Mr. CHAPLIN: You are wasting a lot of time now.

An hon. MEMBER: What about you?

Mr. DUNNING: The imports of this item for the fiscal year 1929 were valued at $1,965,000, of which $1,960,000 came from the United States in the form of cured bacon, barrelled pork and barrelled beef and sausages. In the same year we exported goods to the value of $9,615,000 of which over $7,000,000 went to the United Kingdom and $1,961,000 to the United States. It is rather absurd to have a duty of 1½ cents per pound on importations from Great Britain on an article like this which we do not import at all but which we export to the extent of $7,000,000 per year.

Mr. CHAPLIN: You do not expect to have any imports of this item?

Mr. DUNNING: We do not expect to import any considerable quantity of these articles from Great Britain. It will be noticed that there is a considerable two-way trade as between the United States and this country. Our imports from the United States were $1,960,000 and our exports amounted to $1,961,000. In this particular case it is proposed to apply the countervailing duty. Our proposal is that the rates shall be 1¾ cents per pound under the intermediate, and 2 cents per pound under the general tariff. The present United States duty on cured bacon is 2 cents per pound, and by the bill at present before the senate it is proposed to raise that to 3¼ cents per pound. The present duty on pork in brine is 2 cents per pound, and the senate bill proposes to raise that to 3¼ cents per pound. The present duty on salted pork is 2 cents per pound, and it is proposed to raise that to 3¼ cents per pound. The present duty on salted meats is 20 per cent ad valorem, and a specific duty of 6 cents per pound is proposed. Beef, dried and smoked meats and sausages bear a 20 per cent ad valorem rate, and the proposal is to increase that to a specific rate of 6 cents per pound.

Item agreed to.

Customs tariff—14. Tallow: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Sir GEORGE PERLEY: What were the importations from Great Britain of this item?

Mr. DUNNING: The total importations from all countries amounted to only $1,528.

Mr. CAHAN: Why should we allow tallow from Australia and New Zealand to come in free in competition with our local producers?

Mr. DUNNING: Australia is not receiving the benefits of the British preference.

Mr. CHAPLIN: Other countries are.

Mr. CAHAN: What are the importations from the countries which come under the British preference?

Mr. DUNNING: We imported only about $1,500 worth from all the world.

Mr. CAHAN: The previous rate was 15 per cent and it is now proposed to make it free?

Mr. DUNNING: Yes.

Mr. CAHAN: Sufficient tallow for domestic demands is produced in this country; why should not our farmers be encouraged to produce cattle with all the incidentals? I cannot understand why this reduction is being made.

Mr. CHAPLIN: The minister states that we imported only $1,500 worth, while the figures show that 100,000 pounds came in from the United States during the year 1929.

Mr. DUNNING: My hon. friend is into the next year.

Mr. CHAPLIN: I am speaking of the fiscal year 1929.

Mr. GEARY: I think it is $20,000.

Mr. DUNNING: I do not know the price of tallow, but the value of the imports was $1,528; I do not know whether or not that would purchase 100,000 pounds, but I rather doubt it.

Mr. GEARY: I have the figure of $20,000.

Mr. CAHAN: Has the minister the figures for 1928 and 1929?

Mr. DUNNING: In 1928 our imports from the United States were valued at $11,000, or 145,000 pounds. During the fiscal year 1929 we imported 19,000 pounds valued at $1,528.

Mr. MALONEY: The government has killed the coat of the sheep; why not give the inside a chance and let us save the tallow at least?

Item agreed to.

Customs tariff—15. Beeswax: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Sir GEORGE PERLEY: What are the imports from British countries on this item?

Mr. DUNNING: The total imports for the fiscal year 1929 were valued at $80,000, of which $50,000 came from France. There were only small importations under the British preference, amounting to $683. There is a possible chance of enlarging the British trade on this item.

Sir GEORGE PERLEY: What duty applied to importations from France?

Mr. DUNNING: The intermediate rate is 7½ per cent.

Sir GEORGE PERLEY: There is no special rate under the French treaty?

Mr. DUNNING: No, no special rate.

Mr. CHAPLIN: The previous rate on importations from Great Britain was 5 per cent.

Mr. DUNNING: Yes.

Mr. CHAPLIN: And on importations from France the rate was 7½ per cent?

Mr. DUNNING: Yes.

Mr. CHAPLIN: And from outside, 10 per cent.

Mr. DUNNING: Yes.

Mr. CHAPLIN: There was a differential, then, and France sent us thousands of pounds and Britain sent us practically nothing.

Mr. DUNNING: Very little.

Mr. CHAPLIN: The minister had better give a bonus to Britain to get it from there, or else raise the other tariff, or the situation will not be changed.

Mr. CAHAN: What is the purpose of these changes? Who is asking for them? Have they been discussed before the tariff board or any other board? Did the minister suggest them out of some wild flight of imagination? Or is the object to make it appear that we are giving Great Britain a preference when we are really not doing so; as we are giving a preference in respect of comodities in which she does not trade with us?

Mr. DUNNING: I will try to answer that again. I stated in the budget that out of the hundreds of items being dealt with, there were some fifty which were non-effective so far as imports from Great Britain were concerned; that in many such cases it was patently absurd to impose a tariff against Great Britain. I stated also that some of those fifty items, by reason of their being made free, represented trade possibilities with Great Britain. This I regard as one of the changes which may result in a growth of trade. It is only a minor item; it does not amount to a great deal, but trade is made up of small things, and with the advantage in favour of Great Britain by making the item free and without imposing any heavier burden upon those in Canada who have to buy beeswax, it is quite conceivable and even probable this trade with Great Britain will grow to a certain extent. We brought in a small amount last year.

Mr. CAHAN: We produce in Quebec enough beeswax to supply the local demand. Why, then, should we encourage importations from any other country in the world? In Canada we can raise bees and produce honey of a quality and quantity sufficient for all our needs.

Mr. MACKENZIE KING: You will have a lot of monopolies if you do not have freedom of trade.

Mr. CAHAN: I should like to give the producers in this country the very best position possible in their own market.

Mr. DUNNING: Does my hon. friend know of beeswax being produced commercially in Canada?

Mr. CHAPLIN: I can answer that question. Yes.

Mr. YOUNG (Saskatoon): Where?

Mr. CHAPLIN: In Ontario we use beeswax in our business.

Mr. YOUNG (Saskatoon): Where does it grow?

Mr. CHAPLIN: Poor fellow! And a man representing a farming district! All through the Niagara district one can buy beeswax; almost every farmer there will sell it. If the hon. member goes to Beeton, which is named because of the very fact that bees are raised in that locality, he can get all the beeswax he wants. My hon. friend needs some.

Mr. HEAPS: Is anybody objecting to these changes?

Mr. DUNNING: No.

Item agreed to.

Customs tariff—16. Eggs in the shell, per dozen: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3 cents.

Provided that, if any country imposes upon eggs in the shell, produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon such commodities entering Canada from such country.

Mr. CHAPLIN: I should like to get an explanation from the minister about this item. This is just a counterpart of the last tariff. Let me call the attention of the committee to this: there are three items on eggs. The first one, the minister has not changed. They have had enough eggs from Great Britain, so they do not change it. Britain last year sold us $3,000 worth of eggs. On the other two items: "eggs, whole, egg-yolks or egg albumen, frozen, and so forth, the items that we buy largely from China and of which Britain in 1929 sold us 722,000 pounds at a value of $120,000, they raised the duty 100 per cent. That shows how scared they are of eggs. They raise that tariff 100 per cent on the item in which Britain has largely dealt with us, but in respect to the two items in which Britain has not dealt very much with us, in the one case they leave the duty as it is at present, and in the other they lower it. In other words, in order to encourage business with Great Britain they increase the duty 100 per cent on the item that Britain has largely dealt in with us and they lower the duty on the item in which she deals with us only to a very small extent.

Mr. DUNNING: My hon. friend does not intend to be fair.

Mr. CHAPLIN: I do not think the minister should say that. I am making a statement of the facts.

Mr. DUNNING: My hon. friend is not discussing the item under consideration. He is lumping together three items and is making certain statements about them. All I ask is that we discuss the item now before the committee. I will attempt to give information in connection with it in the proper order, and when we come to the next item I will endeavour to do the best I can with respect to it. I think I can satisfy the members of the committee by proceeding in an orderly manner without making a political speech which I could just as easily make as my hon. friend. My hon. friend thinks it is the proper thing to make a political speech on every item. I am trying to be patient and to give the information required, but I do not want him to think because he is making a political speech on every item, that another hon. member could not do the same thing.

Mr. MALONEY: About three months ago the farmers in this section of Canada were getting about fifty cents a dozen for eggs. Overnight the price dropped to twenty-two cents. Why? Because of the fact that the United States dumped millions of dozens of eggs into this country and they are doing the same thing to-day. Our countervailing duties will not prevent their doing the same thing again because, as we all know, in the United States they have a tariff commission which can raise or lower the duty at will. What is to prevent the egg producers in the United States from going to their tariff commission and saying: Here, drop your duty. Automatically ours goes down and then millions and millions of dozens of eggs will flow into this country as they have done before. There is in this budget a great defect which I feel the farmers should take cognizance of, because after all the poultry industry is really one that is of great value to Canada.

Mr. MILNE: I have been consistently opposing any increase in the tariff on eggs. I do this for various reasons. The first is that I do not believe a tariff on eggs will be of any benefit to the men who are producing eggs. During the past few years eggs have been bringing a fairly good price, and as a result of that Canada has now reached a point where she is producing practically as many eggs as she consumes. According to the figures given in the hearing before the tariff board, our exports of eggs for 1929 amounted to about 1,147,000 dozens and our imports amounted to about 713,000 dozens. Those figures show conclusively that we are reaching the point where we produce practically as many eggs as we consume. I am going to make a statement which I believe, and I think most of us believe is correct, namely, that when any product is on an export basis the tariff will not materially affect the price

to the producer. Tariffs increase the price of manufactured goods because the production of manufactured products can be controlled and the production of farm products cannot be controlled. Therefore tariffs do not generally increase prices to the producer. I am not going to labour that point because it has been made clear in the house several times already.

Mr. COOTE: Does the hon. member mean agricultural products?

Mr. MILNE: Yes, agricultural products or any products over the production of which you have no control. The United States endeavoured to increase the price of eggs, I suppose, in that country by raising the duty. I have here a clipping, one of several, showing the price of eggs in various markets. It is dated March 10, 1930, and shows that the price of extras in Toronto was 29 to 30 cents a dozen; Montreal, extras, 34 cents a dozen; New York, extras, 28 to 28½ cents a dozen. I think this shows conclusively that the high tariff of the United States is not having the effect of keeping the price of their eggs above the world's market price.

I have another reason for believing that a tariff on eggs is not in the best interests of the farmer. Unlike some other members of the house, I have a little sympathy for the consumer. We have been getting a fairly satisfactory price for our eggs as a general rule, and what the farmers are more interested in than a tariff on eggs is to get more commodities in exchange for the eggs they have to dispose of. I listened with a great deal of interest this afternoon to my hon. friend from Lincoln, with others, pleading that a 35 per cent tariff against the material that enters into the manufacture of artificial silk products was not sufficient to keep that industry alive in Canada. He apparently had received many communications from the manufacturers—

Mr. CHAPLIN: If my hon. friend will allow me to interrupt him, I never spoke of artificial silk either last night or to-day—not one word.

Mr. MILNE: Apparently the hon. member is not accountable for all he says. I gathered from the discussion this afternoon that the duty on artificial silk was 35 per cent, and my hon. friends were complaining that the changes under discussion were going to mean less profit for the manufacturers. I would like to know how many requests the hon. member for Lincoln has had from the employees in these factories who are wearing artificial silk, artificial silk stockings and other such goods. What the farmer is interested in to-day is to get more for his dozen eggs when he trades them for other commodities than he has been getting in the past. We trade eggs for commodities largely, and what we want is more boots, more clothing or other products for the eggs we have to sell. I maintain that the tariff will not help the farmer. That is my stand.

This question was discussed before the tariff board, and I have read very carefully the evidence presented there. I am convinced that there was no case made out to warrant an increase in the tariff on eggs. I wish to quote a short extract from a letter written by the gentleman who presented this case before the tariff board. It is dated May 9, 1929, and says:

> The poultry producers of western Canada are not requesting protection for the purpose of inflating the price of eggs to the consumer.

That sounds familiar.

> They desire protection because they believe that the best interests of the producer and the consumer can only be protected by a stabilized market.

That sounds familiar too.

> They wish to protect the distributors who purchase large quantities during the period of over-production, and who place them in store in order to protect the consumer from over-inflation during the period of low production.

I have not a great deal of sympathy for the man who is gambling in eggs, who stores them up at one season of the year and unloads them at another. It is such concerns, apparently, that the writer of this letter refers to and is trying to protect. The consumer in the city is paying from 55 to 60 cents a dozen for the eggs for which the producer in the country receives 30 to 40 cents a dozen, and I know of cases where the consumer is paying almost double what the producer within a hundred miles of the city receives.

Mr. SPENCE: At the same time of the year?

Mr. MILNE: Yes, on the very same day. I maintain that that is one of the big difficulties so far as the producer is concerned. We are endeavouring to rectify that as fast as we can. Without detaining the house any further, or labouring the question, I am firmly convinced that that is where the great trouble lies, and I do not believe that increasing the tariff is going to be of any value to the producer of eggs in western Canada.

Mr. GEARY: Would the hon. gentleman mind giving me his view, for my own in-

formation, as to whether we should have such institutions as storage plants for carrying eggs over from the season of high production to the season of low production?

Mr. MILNE: Most certainly.

Mr. GEARY: It costs money to do that, of course.

Mr. ADSHEAD: I do not like to be making the same objection to every item, but I am extremely glad to find that there is somebody in this house who is raising his voice on behalf of the ultimate consumer.

Mr. CAHAN: We are all consumers.

Mr. SPENCE: We all eat, don't we?

Mr. ADSHEAD: Eggs were selling last year in Calgary at from 60 to 65 cents a dozen. Surely that is high enough without raising the price higher by means of a protective tariff, if that is the object. Certainly that is hoped to be the result of every tariff increase. My hon. friend from Winnipeg South Centre in his address on the budget said that the United States had gone tariff mad. It seems to me that we are following in their footsteps, and if they have gone tariff mad, we too seem to be going tariff mad. I should like to ask the minister if, under this item, when the price of eggs comes down in the United States, the countervailing duty will come down also; because I can name a few articles on which our tariff is higher than that of the United States. If you believe in countervailing duties, why not make the two equal in all respects, and, where their tariff is lower than ours, reduce ours to the same level? I raise these objections as to the cost of living for the benefit of consumers generally.

Mr. DUNNING: There was, as members of the committee know, a hearing of the Tariff Advisory Board with respect to this matter, and I think I should say that the application for an increase came from the Saskatchewan Cooperative Poultry Producers, otherwise known as the egg and poultry pool, and also from the Canadian Poultry Pool, Limited. In their reference they state that the organization comprises within its membership provincial poultry organizations of British Columbia, Alberta, Saskatchewan and Manitoba, and through them represents a membership of approximately 40,000 producers.

Mr. YOUNG (Weyburn): Would the minister read what Mr. Landreth said as to the number of dealers represented?

[Mr. Geary.]

Mr. DUNNING: Yes. He said:

I would like to add here that through the 2,000 merchant members we serve in the neighbourhood of another 200,000 poultry producers in the prairie provinces, that is regarding the merchants, large and small, as having 100 customers each, because under our merchants' contracts the merchants who belong to the pool agree to deliver all their eggs to the association. In that way we serve the producers of that area, although not contracted directly to the pool.

I was not discussing the nature of the constitution of the pool, I am not familiar with that detail. I was simply indicating that evidently a substantial number of those engaged in the poultry business were behind this application coming from the province of my hon. friend who has just spoken, Manitoba. I just wanted to give that information by way of showing that this matter was not handled in the dark at all, but that all the arguments were published; and while I know there is a difference of opinion between groups of farmers with respect to the matter, nevertheless these organizations are largely farmers' marketing organizations. I think no one can dispute that fact. They may have arrangements with the merchants that may modify their position as pool farmers, so to speak, but I know no reason to believe that they do not represent accurately the desires of their producer-members. I have had many representations from the producers' organizations, in fact they have come to see me upon the matter.

Mr. IRVINE: Did the minister get any representations from the Canadian Council of Agriculture or from the body of consumers?

Mr. DUNNING: I had no representations personally from the Canadian Council of Agriculture that I can recollect; but in this record of the tariff board hearings on the matter appears the opposition of the Canadian Council of Agriculture; that is, apparently they are opposed to the request of the egg pools of the various provinces. It is all on record in connection with the hearing.

Mr. GLEN: Will the minister give us information as to the quantity of eggs imported in comparison with the number produced in Canada?

Mr. DUNNING: Yes. There is a great variation in the imports in the various years. I will give the figures for the last five years:

| Year | Value |
|---|---|
| 1925 | $ 945,000 |
| 1926 | 977,000 |
| 1927 | 1,317,000 |
| 1928 | 476,000 |
| 1929 | 395,000 |

These are our imports, chiefly from the United States, of eggs in the shell.

Mr. GLEN: With regard to the application made before the tariff board, while it is perfectly true that it came from the organization of which the minister speaks, yet as a matter of fact the applicant was a Mr. Landreth, the general manager of one of these associations. I think I speak the absolute truth when I say that that man made the application without the consent and concurrence of the majority of the members of his organization, and I have had it repeated to me by those who attended the meetings when this matter was discussed and Mr. Landreth, in spite of what had been done, made the application. It came before the tariff board, and objection was then taken to it by the Consumers' League. The case was adjourned, and at the next hearing he did not appear; it was again adjourned, and he did not appear when it was called a third time, and again it was adjourned. I think on the fourth occasion he appeared, but there was no opportunity for the representative of the Canadian Council of Agriculture to appear because he was sick in bed. I am prepared to say that that application does not represent the opinion of the producers of eggs in western Canada. I am prepared also to say that it represents the opinions only of a very small minority, chiefly officials.

I do not think, as has already been pointed out by the member for Neepawa (Mr. Milne), that this tariff on eggs is likely to be of any benefit to the producers of eggs in western Canada. It is rather remarkable to find from the figures given by the minister that there has been a tremendous reduction in the importation of eggs during the past couple of years compared with what we imported in 1925. As a matter of fact, if my figures are correct as I got them from the minister, last year our importations were about a third of those of 1925.

Yesterday I said I would protest against the tariff on butter, eggs, fruit and vegetables, because I am absolutely convinced that the imposition of a tariff on these commodities is of no benefit to us in western Canada as producers, and certainly it will militate against any future activity of our farmer organizations to relieve themselves of the burdens that they have to bear by reason of the tariff. Therefore I am protesting against the imposition of this tariff on eggs.

Mr. MALONEY: Mr. Chairman, I should like to ask if the minister is aware of the fact that during the months of February and March there came into the city of Montreal from the United States one carload of eggs each week. Is he aware that during the early part of February when our farmers were getting 50 cents a dozen for their eggs, these importations over night caused the price to be cut in two? We in this country must realize that agriculture comes before all things.

Mr. GLEN: Hear, hear.

Mr. MALONEY: We must realize that the farmer is the backbone of our country.

Mr. YOUNG (Weyburn): Why do you want to put such a heavy load on him?

Mr. MALONEY: Because we want to carry him on. We are anxious to put the farmer in the same position as some of our other producers have been in for many years. Let me tell you that the poultry raiser in Canada is entirely opposed to anything that will militate against the products of his poultry.

Mr. HEAPS: Has the minister the export figures for the same years?

Mr. DUNNING: Yes. Canada exported whole eggs to a value of $319,000 of which $264,000 went to the United Kingdom and $45,000 to Newfoundland.

Mr. HEAPS: What year was that?

Mr. DUNNING: For the fiscal year 1929.

Mr. HEAPS: Has the minister the figures for the two or three previous years?

Mr. DUNNING: Not at the moment, but I can find them.

Mr. NEILL: I think the hon. member for Marquette (Mr. Glen) takes a somewhat limited view of the expression "western Canada." Surely he will confine that term to his own province or to that and the one immediately beside it. I think I am entitled to have some say on the statement that the whole of western Canada has no desire for legislation of this character.

Mr. GLEN: I will exclude British Columbia.

Mr. NEILL: But he cannot do that; we are in Canada, although we are too often neglected when the interests of the west are concerned. Some people seem to think that the west begins in Winnipeg and ends in the Rocky mountains, but geographically and politically that is not so. It has been suggested that Mr. Landreth, appearing before the tariff board on behalf of the Canadian egg pool, exceeded his authority. But the egg pool is the biggest organization of egg producers in the Dominion, and it would surely be a very anomalous position to find the recently appointed head of it arrogating to himself

authority to decide what sort of fiscal policy his constituents want against their wishes. I would point out that the application was before the tariff board for a year or more, as the hon. gentleman behind me said, so there was ample time for the egg producers to express themselves if they were not in agreement with the application. Further than that, this application did not originate with Mr. Landreth, but originated with an organization in Ontario. It was later on concentrated in the application by the egg pool. In British Columbia at any rate I know that I can safely say every egg producer is solidly behind this legislation. Not only are they behind it individually, but I am familiar with the local organizations in my district; I have had telegrams from the president of the local cooperative pool in British Columbia and from a great many other officials not only recently but for years, asking that this same legislation be passed. The hon. member for Nanaimo (Mr. Dickie) is well aware of that fact.

Mr. HEAPS: What is the purpose of asking for an increase in the tariff on eggs?

Mr. NEILL: Primarily to keep out at certain periods a flood of American eggs. The legislation would not necessarily raise the price of eggs, but to use the well known expression, it would stabilize the market.

Mr. HEAPS: In what way?

Mr. NEILL: To prevent egg producers being put out of business by a sudden influx of American eggs at the glut period of the year. It has been suggested that the Canadian Council of Agriculture are opposed to this measure and it has been said that they should have been consulted. They had the opportunity to express themselves, and if they did not—

Mr. GARLAND (Bow River): They did express themselves.

Mr. BROWN: Be fair on that point.

Mr. NEILL: Did they put their views forward?

Mr. BROWN: Yes, they did.

Mr. NEILL: Well, that was unknown to me. However, supposing they did; we have Mr. Landreth, the newly elected president of the Dominion egg pool on the one hand and we have the Canadian Council of Agriculture on the opposite side of the fence. It seems to me I have heard some of my hon. friends to my left, unless I am again mixing things up, object to the amount which we give to the Canadian council, saying that it is more or less a personal and autocratic body, and that they have grown aloof—

Mr. McMILLAN: No, not the Canadian Council of Agriculture.

Mr. NEILL: Is it not the Council of Agriculture?

Mr. McMILLAN: No, the Canadian Council of Agriculture maintains itself; it does not get a grant.

Mr. NEILL: Did I not hear the hon. member for Weyburn (Mr. Young) object last year?

Mr. YOUNG (Weyburn): No; the Canadian Horticultural Council does.

Mr. NEILL: I will take back that feature of it; there is another aspect of the matter with which I wish to deal. The question was asked as to what the importation of eggs had been from the United States. In reply the minister cited the importations for a series of years, and it seemed that they were becoming less rather than greater; the statement of the minister was no doubt correct. The point is that these eggs do not come in in a year; they come in in a month. In the months of January, February and March, when spring eggs are on the market, they not only come in in such large quantities that they ruin the market, but it is the possibility of bringing them in that shakes the market. It does not matter whether there are twelve or fifty carloads brought in in February, the point is that they are there in unlimited quantities, and the mere fact that they exist and are accessible breaks the price. Consequently the price of our eggs is appreciably lowered. Dealers know that the American price is quoted at say 25 cents, and we know that we cannot produce eggs at that price. If one carload does not break the price they will bring in fifty or one hundred carloads. There is no doubt a necessity to put some kind of check on the importation to reduce the seasonal glut. The purpose might have been achieved by instituting a seasonal tariff such as was suggested at one time, but it appears that it cannot be done. I must protest at the suggestion that there is not a widespread demand for this legislation, and I make the statement that if business along these lines is continued, and if cheap eggs are imported, the poultry people of British Columbia will be put out of the egg business. We are harrassed with the enormous price we have to pay for wheat. Some years ago

hon. members from the prairies with the support of some of the members from British Columbia had the Crowsnest rates readjusted so that they would get a good rate on their wheat.

Mr. YOUNG (Weyburn): We are not asking for duty on wheat.

Mr. NEILL: Did they reciprocate and help us to get a lighter freight rate on the feed for our chickens? No. They got what they wanted and we were put into the discard. The result is that to-day we pay more freight on No. 6 wheat, the inferior rubbish that we have to feed our chickens, to bring it from the prairies to Vancouver than they in the prairies pay on No. 1 wheat, worth three times as much.

Mr. GARLAND (Bow River): I must say that the hon. gentleman, contrary to his custom, is quite unfair to-night. The United Farmers of Alberta in convention assembled by unanimous vote supported the application of the British Columbia farmers for reduced rates on wheat shipped to the coast.

Mr. NEILL: Yes, a few months ago. Did they come to the assistance of British Columbia when that province wanted to make it part of the Crowsnest deal a few years ago? In my opinion that was the time to support it. It is all very well to come along now and express an academic sympathy; I must say we are grateful, but what we wanted was action at that time. There is a Scotch saying that "giff gaff makes guid freends." That is, when you get a favour, give a little in return. We are asking for a return, and we will continue to use their inferior wheat at high prices if we are only allowed a living chance to make something. The farmers in my district are not making fortunes; few of them buy cars; none of them are coming to parliament; they could not put up the $200 deposit. I will say that I am only demanding a fair deal for the egg producers of the west.

Mr. YOUNG (Weyburn): I wish to correct a wrong impression created by the hon. member for Comox-Alberni (Mr. Neill)—

Mr. GARLAND (Bow River): Only one?

Mr. YOUNG (Weyburn): —in regard to the Canadian Council of Agriculture not appearing before the tariff board to present the case against the application of the poultry pool. As has been stated, the application was made by Mr. Landreth. A date was set for the hearing, and although Mr. Darby of the Canadian Council of Agriculture appeared, Mr. Landreth did not. A second date was set, and on that occasion Mr. Darby again appeared, and Mr. Landreth did not but sent a request for a further adjournment. On the third occasion Mr. Darby travelled all the way from Winnipeg to attend the meeting and again Mr. Landreth did not appear on the scene, but again sent a message asking for a further adjournment. When a date for the hearing was finally set Mr. Darby could not be present. As for the representative of the Consumers' League of Canada, I must say that I happened to be with him on the morning of the hearing. He did not know anything about it until the hearing was about to start, at which time he received a message intimating that his presence was requested.

Mr. EVANS: I wish to correct a statement made by the hon. member for Comox-Alberni. There was no application from the province of British Columbia when the Crowsnest pass agreement was passed in this house in 1923. For that matter I do not remember that the hon. gentleman himself was very active in the matter. I wish to say that these countervailing duties constitute a vicious feature which has been introduced into the tariff at this time. Bad as the tariff system is, these countervailing duties make it much worse, and they never were asked for by the consumer. The profit derived from them is confined to the dealer exclusively and he is the only person who can possibly benefit. Such a measure is bound to increase the cost of living. I have maintained for a long time that by one stroke of the pen the government can lower the cost of living and improve production both on the farms and in the industries of the country. The policy of the government as shown by these countervailing duties is to make bargains with the dealers and manufacturers, and the cost of living is going up year by year. It is a mistake to expect that any consumer can benefit by a countervailing duty; it only gives the dealers a chance to charge the home consumer a price that will give him a profit and which will enable him, when the markets are glutted, to ship his goods to any country in the world, at the same time keeping up the price at home high enough to give him a profit for his entire output. I particularly protest against these countervailing duties.

A great many of these items come on foodstuffs alone. Surely if the efficiency of a nation can be measured by anything it is by the extent to which the cost of living is kept down in line with world prices. During the last two or three years our government has done nothing but increase the cost of living to the worker. This does not even help the manufacturer, for the simple reason that

wages must go up; but wages never go up as a countervailing measure against the high cost of the articles on which our manufacturers get a price fixing power. Wages are always behind; they are never high enough to meet the high cost of living in this protective country. Countervailing duties are bound to raise our cost of living another notch this year, and surely it has been high enough in all reason during the years gone by.

I should like to know from the Minister of Finance who asked for these countervailing duties in general. Did the Consumers' League, who has backed him up all these years, ask for them? Only the dealers asked for them, I believe, and it seems to me that only those with whom this government can make a bargain get the advantage in the tariff schedules.

Mr. DUNNING: With relation to the last remark of my hon. friend I may say that to my certain knowledge neither the dealers nor anyone else of that class asked for countervailing duties, and I repudiate entirely the insinuation contained in his last remarks.

Mr. POULIOT: I am one of those who asked for that duty, on behalf of the farmers of my constituency.

Mr. HEAPS: I have been trying to find out the purpose of this increase in the tariff, but as yet I have not succeeded. The first reason the hon. member for Comox-Alberni gave was that he hoped the increase in tariff would keep out—

Mr. NEILL: I never used the words "increase in tariff."

Mr. HEAPS: Well, the countervailing duties, then; it is practically the same thing. If the duties were lowered I am sure the hon. member for Comox-Alberni would not want that. He was trying to protect the egg industry of his own province. I tried to find out why he wanted this increased duty and he said it was for the purpose of stabilizing the industry. No tariff as yet has been able to stabilize an industry either in this or in any other country with a high tariff. On the other hand the hon. member expressed the opinion that the tariff would keep out eggs from other countries.

Mr. NEILL: Would tend to keep them out.

Mr. HEAPS: Well, I will say that even an increase in duty will not tend to keep out eggs from other countries. That has not been the effect of other increases in past years, in this country or in other countries. I think as a rule these increases have the opposite effect and only bring about further difficulties. If this duty was increased for the purpose of preventing the market from being glutted during a certain period of the year, as the hon. member for Comox-Alberni suggested, it should only be a seasonal tariff and not one that is in effect all year. As I understand it, this tariff will be in effect twelve months in the year and not during a certain period only, as I understood the hon. member to say he desired. Consequently I do not see that this duty will have any effect; if it does not increase the tariff it is not going to benefit the egg producers in Canada. On the other hand, if the increased tariff is not going to have the effect of keeping out eggs from other countries I do not see what advantage it will be. Personally I would prefer to see the duty remain as it was previously.

Mr. NEILL: If in your opinion it is not going to do any good at least it will not do any harm, so why not try it out? It will make us happy and will not hurt you.

Mr. DUNNING: I do not think my hon. friend from North Winnipeg need worry about the possibility of eggs costing more, because the Canadian hen apparently is a very industrious individual. During the last year for which I have a complete record it produced 272,000,000 dozen eggs, and our total imports during the same period were only 1,000,000 dozen. I am not going to argue the general merits of this proposal, but I do believe that it will be effective in connection with the point which the hon. member for Comox-Alberni made some time ago with reference to the spring production of eggs in Canada. As a farmer who principally grows wheat I have only an incidental interest in eggs, and a great many hon. members here are in the same position. However, I do not think we should entirely forget that there are farmers, just as much entitled to consideration as such, whose principal source of income is eggs or poultry, and there is no doubt in my mind that the Saskatchewan poultry producers, whose application is here on record, would have repudiated their official publicly if he had been acting in opposition to their wishes in the matter. As a matter of fact the Saskatchewan poultry pool, so-called, made representations to me in this connection, and they do believe rightly or wrongly that during that particular period of the year when everyone is striving for winter egg production a measure such as this will be beneficial to them in preventing their prices from being knocked

down to summer levels while they are still on a winter cost basis of production. That really is their argument, and I paid some attention to it from that point of view.

Mr. HEAPS: If the Canadian hen is such a wonderful producer why does she need any protection against other hens?

Mr. DUNNING: The Canadian hen operates according to the course of nature; she does not lay as freely in the cold weather as she does in the warmth of spring. Nature has something to do with all these operations. In the winter she requires more assistance from her owner; she requires more shelter, more careful feeding and a great many other things. If my hon. friend would just go into the poultry business he would learn a lot about it in a very short time.

Mr. CAMPBELL: The point raised by the hon. member for Comox-Alberni with respect to the freight rate on wheat seems to me deserving of some little consideration. When I hear hon. members for British Columbia ask for an increase in the duty on eggs I wonder if what they really want is not a reduction in the freight rate on the wheat which they feed their hens. As a matter of fact to-day the export rate on wheat to Vancouver is only-half the domestic rate. You take a given point in the prairies, with two cars of wheat on the siding. Both these cars are set out at Vancouver; one is used domestically and the wheat is sold to the poultry producers of British Columbia. They pay a rate of 45 cents per 100 pounds, while another car, handled from the same point in the same train, billed for export and sale to Chinamen—probably producing eggs to ship into Canada—bears a rate of 22½ cents per 100 pounds, exactly one half. That seems to me to be a very important point. I do not raise any more objection to the duty on eggs than other goods, as I think they are just as much entitled to protection as anything else. However, I do insist that the producer of British Columbia is hampered by the freight rates which he is forced to pay. The Chinaman is able to buy our prairie wheat to feed to his hens, which is delivered at a lower rate, thus putting him in a preferred position to ship his eggs back to Canada. As to opposition being offered by the farmers of the prairie, I can assure my hon. friend that there never was or never will be any opposition to any adjustment of freight rates; he is entirely wrong in that statement.

Mr. NEILL: Not opposition, but just a sort of lukewarmness.

Mr. CAMPBELL: My hon. friend could not expect us to ask for something in his interest; I think the lukewarmness is entirely on the part of the egg producers of British Columbia.

Mr. GARLAND (Bow River): They have not started anything.

Mr. CAMPBELL: If my hon. friend were just as energetic in trying to secure a reduction in the freight rates as he has been to secure an increase in the duty on eggs, I think we would get somewhere. Let him start something and I can assure him that we will all be behind him.

Mr. GLEN: Did I understand the hon. member to say that he thought he was entitled to protection on his products?

Mr. CAMPBELL: I was not raising that question, but I said that if there were any merit in protection—

Mr. GLEN: Did the hon. member not say that he was entitled to it if anyone was?

Mr. CAMPBELL: Yes.

Mr. GLEN: I take it that he is in favour of protection on agricultural products.

Mr. CAMPBELL: I am not arguing the point.

Mr. GLEN: Are you or are you not?

Mr. CAMPBELL: My hon. friend supported the budget so he must have been in favour of a duty on eggs.

Mr. GLEN: No, he was not.

Mr. CAMPBELL: He voted his judgment.

Mr. GLEN: Are you in favour of protection on agricultural products?

Mr. CHAPLIN: Are you?

Mr. GLEN: No.

Mr. CAMPBELL: Judging by his vote, my hon. friend seemed to be very much in favour of that.

Mr. GLEN: Are you?

Mr. CAMPBELL: Generally speaking, I am in favour of the elimination of all tariffs. If there is any merit in protection, the farmer is entitled to equal treatment.

Mr. GLEN: Are you in favour?

Item agreed to.

Customs tariff—16a. Eggs, whole, egg yolks or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. ROWE: Why should the duty be raised on this item? The British preferential has been reduced on items in which there is very little business, but as soon as we come to an item which involves $120,000 annually the rate is jumped up.

Mr. DUNNING: Will my hon. friend please demonstrate where the $120,000 comes in?

Mr. ROWE: There are hundreds of thousands of pounds—

Mr. DUNNING: Under which item of the old tariff does that come in?

Mr. ROWE: The British preferential was 5 per cent and it is being raised to 10 per cent.

Mr. DUNNING: Does my hon. friend claim that that value of importations came in under the old item 207?

Mr. ROWE: We have to inquire of the finance minister or one of his legal advisers, because the way it is printed here it is impossible to tell.

Mr. DUNNING: My hon. friend misunderstands completely. This item 16a includes those commodities which formerly came in under two tariff items, one being 207 and the other 711. Mr. hon. friend is endeavouring to prove that we have increased the British preferential rates on a certain value of goods. If we have increased the British preference it can only be with reference to item 207, and I would like to know upon what he bases his information with reference to the value of imports.

Mr. CAHAN: That is item 207.

Mr. ROWE: Probably the hon. minister can give us that information.

Mr. DUNNING: My hon. friends rise and make statements and then ask for information. Item 207 covered blood albumen, egg albumen and egg yolks. It has been deemed desirable to put all egg products together, and the egg albumen and egg yolk have been taken out of item 207.

Mr. MALONEY: What does the hon. minister mean by blood albumen?

Mr. DUNNING: I do not know; I know it is not an egg product.

[Mr. Glen.]

Mr. ROWE: We agree on that particular item.

Mr. DUNNING: My hon. friend is endeavouring to demonstrate that we are increasing the British rates on these particular commodities. I ask him to be reasonable with me and tell me what value of eggs came in under the old low British preferential rate of 5 per cent, as covered by item 207.

Mr. CAHAN: We have no way of ascertaining that; the distribution of the figures is not given in your report.

Mr. DUNNING: It is so infinitesimal that it does not appear in any of the trade reports.

Mr. CAHAN: Why ask us for the information?

Mr. DUNNING: Because my hon. friend opposite, and the hon. member for Lincoln (Mr. Chaplin) speaking on the same matter a few moments ago, stated that the tariff against Great Britain has been increased by 100 per cent. I ask for the information because to make such a statement the hon. gentlemen presumably have information which I have been unable to secure. Tariff item 207 is mentioned, not because there is any volume of business under that item, but because it is an old item which is being eliminated on account of its inclusion with the new one. All egg commodities are being put in the one item. The great bulk of importations was made up of commodities under item 711, which imposed a duty of 15 per cent against Great Britain. That duty is being reduced to 10 per cent.

Mr. BARBER: What were the quantities?

Mr. DUNNING: The imports of frozen eggs, frozen yolks and albumen are not recorded separately, but the total is valued at $651,000. Those importations were chiefly from China, the United States and the United Kingdom.

Mr. BARBER: The amounts are not given separately for China and Great Britain?

Mr. DUNNING: The importations from China for the fiscal year 1929 were valued at $416,000, and the importations from the United Kingdom were valued at $120,000.

Mr. ROWE: I feel much more at home on the situation as the Minister of Finance apparently does not know the exact classification. He concludes by showing that my figure of $120,000 was correct for the importations from the United Kingdom.

Mr. DUNNING: Those importations came in at 15 per cent, not at 5 per cent. We are not increasing the duty on the commodities included in that $120,000; we are reducing it from 15 per cent to 10 per cent.

Mr. ROWE: I submit that if you reduce that from 15 to 10 per cent and reclassify it with one of 5 per cent, you have practically struck a happy equilibrium and have not extended the British preference at all.. One was 5 and one was 15. The minister has reclassified them into one item and called it 10 per cent British preference.

Mr. DUNNING: Yes.

Mr. ROWE: In this item in which a trade of $120,000 was done in this country under the British preference there has been no change, and in other items along the whole line the thing is simply a camouflage, because in some items which have been reduced from 17½ per cent to nothing, the business done under the British preference has been practically nil. For instance, in the item passed just before I came into the chamber the imports in the last five years amounted to only 200 pounds. The minister has reduced the duty under that item by 17½ per cent, whereas in an item where the trade under the British preference amounts to more than $100,000 we find a reclassification which makes practically no difference in the British preference.

Mr. DUNNING: I do not intend to allow my hon. friend to get away with an utterly wrong statement. He is repeating and continuing to insist on what is entirely wrong. He must surely understand my statement. The $120,000 worth of business to which he refers came in last year at 15 per cent; it will enter in future at 10 per cent. As regards the business to which he refers as coming in at 5 per cent, there is nothing traceable at all. My hon. friend knows that; I have told him that three or four times. Yet he continues describing this as striking a happy medium and so forth. The happy medium is one of rate only. In fact, it is a reduction from 15 per cent to 10 per cent in the tariff against Great Britain on the effective item itself, the $120,000 worth of business to which my hon. friend refers. That is the truth of the matter.

Mr. BROWN: This is an illustration of what I tried to point out last night, namely, the danger of thinking only of averages without taking into consideration the amount of trade brought in under any particular duty.

Mr. CHAPLIN: Can the minister tell us what the old duty was on eggs from China, under this item, frozen eggs.

Mr. DUNNING: On blood albumen, egg albumen and egg yolk, it would be 10 per cent from China, and on eggs, n.o.p., which would include all the others about which my hon. friend is asking, it would be 17½ per cent.

Mr. CHAPLIN: The minister has raised the duty on eggs from China from 10 to 30 per cent?

Mr. DUNNING: No, the really effective increase is from 17½ per cent to 30 per cent.

Mr. CHAPLIN: The increase is on these broken eggs from China, of which 1,700,000 pounds were imported?

Mr. DUNNING: Yes.

Mr. CHAPLIN: The duty on these has been raised to 30 per cent?

Mr. DUNNING: Yes.

Mr. MALONEY: Where are these Chinese eggs consumed principally in this country?

Mr. STEVENS: In the restaurants.

Mr. MALONEY: Are they really palatable?

Mr. DUNNING: There is a difference of opinion in regard to that.

Mr. MALONEY: According to the statement of the minister we have had about 50,000,000 of these eggs dumped in Canada within the last year.

Mr. DUNNING: Fifty million dozen?

Mr. MALONEY: No, 50,000,000 eggs. If they were shut out, quite a few chickens would be kept busy in Canada. In order to give the poultry raiser in this country a chance, we should consider the cost to the farmer to produce eggs. We must remember that a chicken costs at least a shilling. To bring the chicken to maturity until she is able to lay will cost a few dollars. To build a house and home and feed that chicken for the two years during which she is most useful will cost another $4 or $5. Then you have to allow for the wear and tear of the hen, and I really think the minister should raise the duty on eggs entering Canada.

Mr. LADNER: As regards the $416,000 worth of eggs coming from China, this does not mean from Hongkong, does it?

Mr. DUNNING: No, Hongkong is separately stated. A small amount comes from Hongkong.

Mr. LADNER: The duty under the present tariff, not under the budget proposals, on that $416,000 worth, is 17½ per cent?

Mr. DUNNING: Yes.

Mr. LADNER: Under the budget proposals that will be raised to 30 per cent?

Mr. DUNNING: Yes.

Mr. LADNER: That consists practically all of frozen and powdered eggs, does it not?

Mr. DUNNING: Frozen and powdered. It includes egg yolk and egg albumen.

Mr. LADNER: How much came from Hongkong last year?

Mr. DUNNING: Thirteen dollars' worth.

Mr. FRASER: Does the trade from Hongkong come in under the British preference?

Mr. DUNNING: No. Hongkong does not have the British preference, and so far as I know it never has enjoyed it with Canada. It does not at the present time at any rate. Its whole business is as an entry port of China and it would be quite impractical to accord the British preference to Hongkong.

Mr. FRASER: Hongkong enjoys the British preference because it is a British colony.

Mr. DUNNING: My hon. friend is wrong. I say again that Hongkong does not enjoy the British preference with Canada.

Mr. FRASER: How is it eliminated from the British preference?

Mr. DUNNING: It never was eliminated because it never was included. This afternoon I read the statement. The original British preference was extended in 1907 to certain Briitsh countries and provision was made for its further extension by order in council. No order in council has ever been issued by any government according to Kongkong the British preference on goods entering this country from that port.

Mr. COOTE: If it would not take too long, would the minister indicate the dominions?

Mr. DUNNING: I placed it all on Hansard this afternoon.

Mr. COOTE: I happened to be out of the chamber at the time.

Mr. CAHAN: I think it is obvious that Hongkong is not a producing country; it is only a trading country. It does not raise sufficient poultry for its own use. It does not produce sufficient eggs to keep its own breakfast table going. Therefore I do not think there should be a British preference in favour of a country that produces nothing for export.

[Mr. Dunning.]

Mr. DUNNING: There is no British preference extended to Kongkong on any commodity. As my hon. friend states, Hongkong is really a trading port for China. I think what my hon. friends from British Columbia were afraid of was that Chinese eggs would get into Canada via Hongkong under the British preference. I can assure them that the British preference will not help Chinese eggs to enter Canada from Hongkong.

Mr. FRASER: Under what arrangement would our countervailing tariffs countervail if our tariff schedule is on a percentage basis and that of another country is specific.

Mr. DUNNING: The customs department would have to take the values at the time and compare them with the specific in connection with the particular entry.

Item agreed to.

Customs tariff—16b. Eggs, egg yolk or egg albumen, dried, evaporated, desiccated, or powdered, whether or not sugar or other material be added: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. LADNER: According to the trade reports, we imported from the United Kingdom $3,939 worth of goods under this item. The duties under the intermediate and general tariffs fortunately have been increased, but the British preference has been decreased. I wanted to inquire what was the purpose of decreasing the British preference in view of the trade existing.

Mr. DUNNING: In order to increase the trade.

Mr. LADNER: What were the total imports under this item last year?

Mr. DUNNING: From all countries? Of course, it is part of the old n.o.p. item, which includes some commodities which now fall within the item that we have just recently disposed of. The imports were $651,500; that includes somes commodities which are in this item and some which are in the previous item. From Japan, we imported $416,000. A little came from England. It is rather difficult to trade these various n.o.p. items which were put into the tariff many years ago, and under which trade has developed. We are separating them in the manner in which they are separated here in order that in the future we may be able to get the very information which my hon. friend is now asking for, so that when questions are asked in the future with respect

to the trade the information will be automatically available. It is very difficult to make a correct comparison when the item is in one of what I call the basket items.

Mr. LADNER: Under 16b, there is now classified the old item 231, baking powder. I do not know how that comes in under eggs.

Mr. DUNNING: The item 16b does not include all of the old baking powder item, but it does include preparations which had to do with eggs and were extracted from eggs —egg powders, Eggo, and that sort of thing, which the customs ruled previously were baking powder. Under the new classification these powders will come where they belong, under the egg powders, and not under the baking powders.

Sir GEORGE PERLEY: I notice that the duties under 16a and 16b are identical in all three tariffs, but there is a countervailing duty for 16a items, and not for 16b items. I suppose that is why they are kept separate. Why are there countervailing items for 16a, and not for 16b

Mr. DUNNING: Countervailing duties can only be effective in the case of goods which are produced in Canada. We do not make any powdered eggs under 16b, so there is nothing on which to base countervailing duties.

Sir GEORGE PERLEY: Do we make any frozen eggs under 16a?

Mr. DUNNING: Yes.

Mr. LADNER: Do we not produce egg yolk and egg albumen in Canada? They certainly do in the United States.

Mr. DUNNING: Not eggs dried, evaporated, desiccated, or powdered, which is the classification in 16b.

Item agreed to.

Item 18 agreed to.

Customs tariff—28a. Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of not less than five pounds weight each.

Provided that tea shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the minister that such tea has been produced wholly in the British Dominions, colonies and possessions, and not otherwise: British preferential tariff, free; intermediate tariff, 9 cents per pound; general tariff, 10 cents per pound.

Mr. DUNNING: There is a slight error which I wish to correct before the tea discussion starts. I move that in line 4 the words "not less" be struck out an the word "more" be substituted therefor. The point in connection with that is that the present language leaves an actual package of five pounds weight in two different tariff items, and it is necessary to make this change in order to make sure that it falls into either one or the other item. The item will then read:

Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of more than five pounds weight,

And so on.

Mr. GLEN: We cannot hear what is being said at this end of the chamber, Mr. Chairman. I understand that you have called item 18 carried, and I wanted to say something on that.

Mr. DUNNING: In fairness to those who may be in the unfortunate position of not being able to hear what goes on, while I do not wish to reopen the discussion of items that we have passed, I have no objection to reverting to item 18.

Mr. STEEDSMAN: The hon. gentleman was on his feet, Mr. Chairman, when you called the item carried.

Some hon. MEMBERS: No, no.

Mr. DUNNING: I have no objection to reverting to the item.

Customs tariff—18. Butter, per pound: British preferential tariff, 4 cents; intermediate tariff, 6 cents; general tariff, 7 cents.

Provided that, if any country imposes upon butter produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon butter entering Canada from such country.

Mr. GLEN: I would just like to repeat what I said yesterday. There is a good deal of talk with regard to alleviating the troubles of the farmers. Every member of the house who has spoken has expressed the view that agriculture is the basic industry of the country and should be assisted as far as possible, but when we come to translating that sentiment into concrete action, I find that agriculture is left entirely alone, especially by hon. gentlemen opposite. They say that they wish to protect agriculture as far as possible. I am here, representing a farming constituency and with some knowledge of what I speak, to say that this particular item of butter is not going to help the farmers. I have said before that it will not help them, that it will prove utterly detrimental to the best interests of the farmers in western Canada. I am not

including British Columbia now; I am speaking of the three prairie provinces of which I know something. I am sorry the minister has gone; nevertheless he will read what I have to say in Hansard.

Mr. MACKENZIE KING: He will be here in a moment.

Mr. GLEN: I said yesterday, and I repeat, that the imposition of a tariff on butter will not affect the producer of butter in western Canada over a period. I showed yesterday that even with the tremendous importation of New Zealand and Australian butter in 1928, there was only one month of the year of 1929 when the importations were less than in 1928. Two months were the same, and the imports in the other months of 1929 were greater. If you take that in conjunction with the importation of 95,000 pounds of butter in 1925, the price of 1929 was greater than the price of 1925. I wish to point out to the house that in western Canada to-day there are tremendous troubles affecting all the farmers, and the result is that the farmers are likely to leave the land. I know of men to-day who have been in the country from twenty to thirty years, and who five or ten years ago were wealthy, with money in the bank and in investments, many of whom have had to take mortgages within the last three or four years on their original homesteads; and they were competent farmers, none better on the face of the earth. Yet conditions have placed them in that position.

I wish also to direct attention to this fact. In all the legislation that we are putting through to-day, there is nothing that directly benefits agriculture. We are not giving to agriculture the recognition that we should give and which the house expects. There is little room for doubt in my mind that we will have again the same agitation for farmers' rights unless this house is prepared to do something for them. I am quite sure that the low tariff sentiment will be revived in the west in the absence of some remedial measures. That sentiment unfortunately has gone into abeyance for the time being and protection has entered into their viewpoint. They saw something more or less tangible immediately before their eyes, and taking the shortsighted view that men sometimes will take, they have grasped at that straw. I say that this tariff on butter is likely to prove most detrimental, for it will destroy absolutely the feeling of the men on the farm which hitherto has been their strength. I care not for the opinions of anyone to the contrary, protection cannot benefit the farmers of western Canada. While we are on an export basis our prices are ruled by world markets, and we cannot possibly benefit by any system of protection. Yet despite that self-evident fact we see the thin edge of protection being imposed to destroy the efficiency and morale of the farmers. I protest most strenuously against the imposition of this tariff. I give my opinion to the government as sincerely as a man can give it that I think they are making a great mistake. It seems to me that the Minister of Finance should state the reason why these tariffs are being imposed, and he should also state if it is the intention of the government to carry the policy further into effect.

Mr. CAMPBELL: I do not propose to take the hon. gentleman seriously, Mr. Chairman. He is simply making campaign excuses for his opposition to the subamendment and his support of the budget.

Mr. MILNE: Mr. Chairman, this item is on the same basis as the protection of eggs. The dairy industry of the prairie provinces has made substantial increase in the production of butter. Last year we increased our production something over 20 per cent, in spite of the fact that perhaps we had the driest year and the greatest scarcity of pasture that I ever remember. If we continue to develop at this rate, I presume we will soon be exporting large quantities of butter, which means that we will be compelled to take world prices for our product. Therefore I am still of the opinion that this item will not benefit the farmer. If we could get some relief in other lines that would reduce our cost of production it would be of real assistance to us. In this connection I desire to read a short paragraph from the report of the annual meeting of the National Dairy Council of Canada held in Toronto, October 18 and 19, 1929. The president Mr. J. A. Caulder said:

> A year or two ago when Mr. Stephen and myself were struggling along trying to find some money to buy posters and literature, we went to the other side and we discovered that we could buy posters for about one-quarter to one-half what we could have them made for in this country.

It is a strange condition that we in this country, where we produce more paper and pulp than any other country in the world, cannot furnish posters for advertising purposes as cheaply as they are produced in the United States. I merely quote that as an instance—I might cite others—where a reduction would be appreciated by the farmers of the prairie provinces.

Mr. ROWE: Mr. Chairman, this is indeed a strange spectacle. Here we have hon. mem-

bers who probably have done more to urge the government to grant low tariffs and reduced rates on the very commodity to which they are referring than any of their colleagues and thus have helped to bring about such a critical situation in the dairy industry that the government itself has been compelled to turn a complete political somersault. Now we have the same members rising in their places to apologize to the indignant farmers who are dissatisfied, but in so doing they are only aggravating the situation. Never in any decade of our history have the agriculturists of this country received such scant recognition and such unfavourable treatment as we have received during the past ten years from this government. There is not a farmer from one end of Canada to the other but realizes that nothing has struck the basic industry of this country so hard as this government's treatment of the very item under discussion.

Mr. YOUNG (Saskatoon): Nonsense.

Mr. ROWE: I am not an authority on medicine, but I think I know as much about dairy farming as the hon. member for Saskatoon. All he has to do to realize the critical condition of our dairy industry is to look at our butter importations during the last couple of years. Every farmer in the province of Ontario who receives a cheque for his cream knows that four weeks ago it represented only 60 per cent of what he was getting in the corresponding period last year.

Mr. YOUNG (Saskatoon): A lot of Tory propaganda.

Mr. ROWE: Not at all; I am simply stating facts. The reason for this decline is simply the huge importations of New Zealand butter. We have ceased to be an exporting country so far as butter is concerned. When this government came into power we exported millions of pounds of butter to the United States and Great Britain. And what has happened to the cheese market? The Minister of Agriculture and his deputy have sent letters all over the Dominion asking our farmers for some solution of the present agricultural depression. Why? Because we have lost our cheese trade in England to a great extent; we are not exporting half the quantity that we were before the war. Our meat exports to Great Britain have felt the same pinch, having been more or less affected by the decline in the dairy industry. In fact where we used to export $78,000,000 worth to Great Britain, last year we exported only $7,500,000 worth. As to the butter situation, we have simply changed from an exporting country of twenty-five to thirty million pounds to an importing country of over thirty-four million pounds. At the rate of our present importations we shall probably import fifty million pounds this year. Surely those who have experienced this disastrous condition of affairs should hesitate to-night to rise and condemn this small measure of protection, which, I submit, Mr. Chairman, is not half enough. The request of the dairy council is altogether too modest. A small percentage of our dairymen belong to that organization, simply because the dairy industry has become so demoralized that Ontario farmers who were milking ten, twelve and twenty cows a few years ago, to-day are milking only a sufficient number to provide for their own requirements. I repeat, Mr. Chairman, the situation is critical to-day. Our farms in Ontario are not worth more than 60 per cent of the price they fetched when this government came into power. The people in New Zealand have taken advantage of the free trade doctrines of this government, and their farms have risen in value from $200 or $300 to $500 or $600 an acre.

Mr. DUNNING: What country?

Mr. ROWE: New Zealand. I submit you can go on down the line and you will find that because of the action of this government in the past it has had to-day to make a rightabout face. Those members who prompted the United States government to take the action they did take are rising to-night and offering the panacea of low tariff. Mr. Chairman, the greatest criticism which we could offer in connection with this item is that the tariff is not half high enough, because the industry is almost entirely ruined; it will take reestablishment and protection to bring it back to normal.

Mr. WARD: Before the hon. gentleman takes his seat I would like to ask him a question. Does he believe that the Canadian dairyman would receive more for his dairy products if he were on an export basis?

Mr. ROWE: When we were on an export basis we did receive more.

Mr. DUNNING: No, that is absolutely wrong.

Mr. ROWE: I am right.

Mr. DUNNING: My hon. friend is wrong; surely he knows better than that.

Mr. ROWE: If my hon. friend will consult the records as to the price of cream three or four weeks ago and compare that price with that which obtained in 1920 he will find that I am correct.

Mr. DUNNING: The export price for butter has been consistently below the Canadian price for butter.

Mr. ROWE: That may apply to recent times.

Mr. DUNNING: When we have not butter to export the Canadian price is higher than the world price.

Mr. SENN: Will the minister say that up to last year the price of butter in United States cities has been less than it has been in Canada?

Mr. DUNNING: I am speaking of the world market to which Canadian farmers have to ship their butter when they have any to sell.

Mr. CAHAN: Where is that market?

Mr. DUNNING: In Europe.

Mr. CAHAN: Where in Europe is the world market for butter? There is no such thing as a world market for butter, and there never was.

Mr. DUNNING: I have sold some there, and I think I know as much about it as the hon. member for St. Lawrence-St. George.

Mr. EVANS: I wish to point out what would seem to be inconsistencies regarding butter and some other things. Before the Australian treaty went into effect the duty on butter never did the farmer any good. When the Australian treaty was consummated, however, the duty was practically taken off butter from Australia and placed on raisins from other countries. Now we have a duty on butter and the duty on raisins and the result is that the cost of living has been increased. In regard to tea, the duty has been taken off under the British preference, and that no doubt will be welcomed all over the country. If the tariff is a measure used for the purpose of getting revenue it should have been levied on tea and taken off raisins, and the result would have been somewhat easier on the farmer. The duty on butter is not going to benefit the farmer, it will benefit only the merger that is being formed. The farmers' shares in the cooperative company which has been formed throughout the country are being bought by the groups which are trying to form a merger for the distribution of dairy products and the control of the price of the farmer's cream. This will not benefit even the cream producer; it will be a hardship on the consumer, and the price of living will be raised all round.

[Mr. Rowe.]

Mr. MacLEAN (Prince): The hon. member for Dufferin-Simcoe (Mr. Rowe) seems to think that the government has done nothing for the farmer, but I must say he is not in line with the thought expressed in the Montreal Gazette of May 10, 1930. I wish to read an extract from that paper:

> Perhaps the Fansher group will inform the house, and the people of the Dominion, what they mean by more effective consideration for agriculture. The prevailing impression has been that in cheapening the so-called instruments of production, in reducing rail rates, and in divers other ways, the King government has shown far more consideration for agriculture and the agriculturist than for any other industry or any other class; and now there is to be a measure of protection for the farmer against foreign competition. There is something wrong with the Fansher reasoning.

I would remind my hon. friend that the excerpt I have read is from an editorial in the Montreal Gazette.

Mr. EVANS: Does the hon. gentleman contend that the Montreal Gazette is an expert in agricultural matters?

Mr. MacLEAN (Prince): My hon. friend has condemned the government by saying that it has done nothing for agriculture. I have read from a Conservative newspaper and it clearly admits that the King government has done more for agriculture than it has done for any other industry.

Mr. CHAPLIN: They have done nothing for any other industry.

Mr. MacLEAN (Prince): Hon. members on this side of the house can see that members of the opposition are pressing for increased protection for the manufacturing industries. The farmers of the country can see that, also. I thought it was wise however to put this editorial on record, because it is an admission by an outstanding Canadian paper that the King government has done more for agriculture than has any previous government.

Mr. MALONEY: It is amusing to hear these old free traders trying to square themselves with their constituents, after voting for the budget. I am forced to suggest to the Minister of Finance that we should leave the budget and allow the people of Canada to decide its fate. Surely hon. gentlemen opposite are not going to endeavour to force this budget through the house and not give the people of Canada a chance to decide what they want.

Mr. McPHEE: Speak for yourself.

Mr. SPEAKMAN: A statement was made to-night by the Minister of Finance and contradicted on this side of the house, as to the comparative prices of butter in this country

and in the markets of the world. When I speak of the world market I refer to the London market. For some years I have studied these prices, and as a matter of fact I have statistics on the subject. I have compiled figures for eight years past showing the comparative prices, week by week, in this country and in London. As a result I must say that in that instance I confirm in every respect the statement of the Minister of Finance that week by week, month by month and year by year for eight years the London price was consistently lower than the Canadian price.

Mr. DUNNING: And it is to-day.

Mr. SENN: We have witnessed a remarkable spectacle in this house to-night. The gentlemen on the other side who have just spoken have consistently opposed any increase in the tariff on butter. They spoke against the abrogation of the New Zealand agreement, and last night when they voted on the budget they voted in favour of the abrogation of that agreement. They voted in favour of higher duties on butter and again to-night they are talking against schedules in the tariff which they supported last night. It seems to me that their constituents will wonder what position these hon. gentlemen are taking. I wonder what will happen if this government is returned to power; I wonder what will happen to these schedules, in the light of what has been said across the floor to-night. What are the people of the Dominion of Canada who believe that there should be a duty on butter to think of what we have witnessed this evening. Surely they are going to say that we cannot put any confidence in these men and that very likely, if they should be returned to power, these schedules will be interfered with again very quickly.

Mr. MacLEAN (Prince): Why did my hon. friend vote against the budget?

Mr. SENN: I will tell my hon. friend why I voted against it; there were several reasons. The first reason is because I have no confidence in this government or in any government supported by men who vote one way one day and talk the other way the next day. The next reason is because although the dairy council only asked for 4 cents under the British preference I believe that if they thought they had any chance of getting more they would have asked for it. I believe as well that since channels of trade have been established between Canada and New Zealand it is going to take more than 4 cents a pound duty to keep that butter out of this country.

Now I want to say a word in regard to what the Minister of Finance said as to prices in London and those in Canada. I think what the hon. member to my left said is very largely true, that prices in London have been lower, but we must remember that London is a free trade market. On the other hand, up to this year prices have been higher in United States cities for a great number of years past than they have been either in London or in Canada, and that is a protected market. I think that is a sufficient answer to the arguments which have been advanced by the Minister of Finance and by the gentleman to my left.

Customs tariff—28a. Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of not less than five pounds weight each, per pound.

Provided that tea shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the minister that such tea has been produced wholly in the British dominions, colonies and possessions, and not otherwise: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 10 cents.

Mr. MacLAREN: I would like to direct the attention of the Minister of Finance to the effect which the proposed tariff on tea will have on the tea dealers. However acceptable free tea may be to the general run of people it does seem unjust to penalize the tea dealers of Canada in order to bring about that condition. I should like to see the Minister of National Revenue here during the discussion of this item, because both the Minister of Finance and the Minister of National Revenue are concerned in this question, and I would ask the Minister of Finance to take up this matter some other time with the Minister of National Revenue.

I believe a great injustice is threatened to the tea dealers of Canada. In 1918 a duty of 10 per cent was placed on tea under the war Revenue Act in order to meet the exceptional expenditures during and after the war. That was quite understandable, but an unusual and exceptional course was followed after the adoption of that tariff. Authority was given the excise department at the same time to follow the tea that already had been cleared through customs and stored in the tea warehouses and collect upon it that same duty of 10 per cent. I know of no other instance of an article being followed up in this way and an excise tax collected amounting to the duty on the article. It may be that this has occurred before, but I know of no similar instance.

In any event it was a very unusual and exceptional condition. Then on the 1st of May

of this year the Minister of Finance announced that he proposed to make tea free. What was the result? It left the tea dealers in the lurch. As usual, their warehouses were stored with tea on which duty had been paid, and if the minister pursues the course which he has indicated, but which I hope he will reconsider, the tea dealers again will be heavy losers. It does seem unjust that both coming and going the tea dealers should be so unfortunate as to receive this treatment from the government. The tea dealers say that not only was the tax that was placed on tea in 1918 followed up by excise to the warehouses, but that to-day they will lose the duty they have already paid on tea in their warehouses. They contend that it is only fair and just that now, when the minister proposed to abolish the tariff, they should be refunded the amount of duty on the tea which is stored in their warehouses. The government should not have that duty under all circumstances, when they are putting it on and again when they are taking it off.

I know it is said that when the duty is taken off an article it is the custom that the dealers who are affected must suffer the loss, but I desire to point out to the minister that the special War Revenue Act was a special measure, that the seeking out of the tea warehouses was an exceptional measure and that therefore it is only fair and reasonable that now the tea dealers should be treated in an exceptional way, if necessary. It is true that the war tax was an unusual measure, but surely that is not a reason for penalizing those who are concerned now. On the contrary, we should endeavour so to meet the situation that the tea dealers concerned should not suffer in this instance. I submit that in this case the tea dealers should not bear the consequences of the government's action; exceptional conditions warrant exceptional treatment.

If the Minister of Finance and the Minister of National Revenue ask for a precedent, then I would say that in 1927 a precedent was established for this practice. The minister must not look doubtful, as I rather think he is.

Mr. DUNNING: I will try to look more pleasant.

Mr. MacLAREN: I would rather you tried to look as though you were following my argument a little more closely.

Mr. DUNNING: I will try to look as though I were convinced.

Mr. MacLAREN: As though you were becoming convinced. In 1927 or 1928, a refund was made to the motor car dealers which applied to the cars which had been in stock the year before. I do not know whether this particular refund would be made by the Minister of National Revenue or the Minister of Finance—

Mr. ODETTE: There was no rebate of the duty paid on motor cars; a rebate was made in 1926 of the excise tax. If the dealers had paid the duty they received no rebate.

Mr. MacLAREN: It was the refund made under the Special War Revenue Act of 1915.

Mr. ODETTE: That is a refund of excise tax and had nothing to do with the duty.

Mr. MacLAREN: Action was taken in July, 1927, whereby a refund was made of the excise tax. I am not at all concerned with how the refund is made, whether it comes under the Minister of National Revenue or the Minister of Finance, but I am concerned with the remedying of an injustice. The tea dealers are undergoing considerable hardship and I think it would have been better had the minister made this operative within a certain number of months.

Mr. DUNNING: Does my hon. friend suggest that seriously?

Mr. MacLAREN: I am absolutely serious in making that suggestion; not only that but I am emphatically serious about it. I think my suggestion will be fortified by other opinions, and I trust it will appeal to the minister.

These dealers suffered considerably some years ago when this tax was introduced, and a refund should be made for the stock which they held on May 1. Failing that refund, the application of the rates should not become operative for a certain number of months. The minister may reply that that is not a usual course to take, but I think this case requires special treatment. The sales tax was reduced gradually from 3 per cent to 2 per cent to 1 per cent. The former Minister of Finance stated that that was done so as not to disturb business and so that it would not involve any considerable loss.

Mr. DUNNING: That the loss would not be too great for the businesses concerned to bear.

Mr. MacLAREN: Why could not that course have been adopted in this instance; instead of making this commodity free, the duty could have been reduced gradually.

Mr. LUCAS: Would the hon. gentleman permit a question?

Mr. MacLAREN: No, not just now; I want to finish and I want to keep my eye on the Minister of Finance.

Mr. DUNNING: You are afraid I will escape.

Mr. MacLAREN: The Minister of Finance heard his distinguished predecessor give that reason for the gradual reduction in the sales tax. As an alternative remedy, this rate of duty could be treated in the same manner. I would have liked very much had the Prime Minister been present because I think he would have appreciated the argument I am offering.

Mr. CAHAN: He was here and he was listening.

Mr. MACKENZIE KING: I was at the back of the room and I heard most of the remarks of the hon. member.

Mr. MacLAREN: That is very satisfactory. Had the Minister of National Revenue been present as well, it would have made a very satisfactory trio. This matter is one which demands attention and which calls for amelioration. When the tariff was raised on this article the exceptional course was pursued of following the tea to the warehouses and although it had been cleared already by the customs 10 cents per pound was exacted. Now, without warning of any kind, this article is made free of duty and these dealers are undergoing a very serious loss. It is all very well to give the ordinary run of persons the benefit of free tea, but why penalize the tea dealers? The argument against the payment of a refund may be that it would be difficult to accomplish, but that is not sufficient reason for refusing to remedy an injustice. The alternative is to bring this change in tariff into force a certain number of months hence, or if the minister is what I would consider obdurate and is not prepared to be convinced, he could gradually reduce it and make the cut this year one-third or one-half.

Mr. LUCAS: The hon. gentleman has been stating that the tea dealers have suffered from the cut of seven cents a pound in the duty on tea. Will he explain why the tea dealers have voluntarily reduced the price of tea by fifteen cents a pound, when the cut in the duty has been only seven cents a pound?

Mr. MacLAREN: I am not in the tea trade. I do not say this in a frivolous way, but that is their own business. If they consider that good business; if they consider they are going to appeal to their customers on that ground, that is their own affair. But I say that beyond doubt the tea dealers of this country will suffer heavy loss unless action is taken in the matter.

The CHAIRMAN: Mr. Motherwell moves that the item be amended by striking out the words "not less' in the fourth line, and substituting the word "more".

Mr. DUNNING: I explained the amendment some time ago. It is to make sure that the five-pound package falls into one item or the other. The item as amended will read:

> Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of more than five pounds weight.

The other tea item would correspond, so that the package which was exactly five pounds would be in one item or the other.

In reference to what the hon. member for St. John-Albert has had to say regarding the reduction in duty and consequent hardship upon tea dealers, it is always a difficulty in connection with reductions in tariffs that some people may have on hand stocks of the articles concerned which, as a result of the reduction, must be disposed of at lower prices than prevailed before the reduction took place. That is a well known difficulty, I think it is correct to say, in all British countries in relation to the budget. In all British countries the budget items become operative immediately upon the delivery of the budget and business becomes accustomed to that condition. With regard to the previous situation in 1918, when a duty was imposed upon tea by the parliament of that day, my hon. friend says that the dealers then suffered an injustice because the then government decided to impose that tax upon tea which was in stock at the time but which had been cleared from customs. I can hardly follow that argument for the reason that immediately the price of tea is raised, and I have no doubt the stocks of tea upon which that extra duty was paid by the wholesale tea dealers were passed along to the consumer just the same as all that subsequently was dealt with. I do not think they suffered any loss on that occasion and that should not be urged as a reason why special consideration should be extended now. They had every opportunity of passing on to the ultimate consumer whatever they themselves paid.

With reference to the present case, I may say that the government has had representations from tea dealers throughout the whole country regarding this question. On the matter of principle, of course my hon. friend is quite right when he states that it is not

usual to make refunds with respect to tariff reductions and I contend the principle is sound. If we started the practice of recognizing appeals for refunds consequent upon tariff changes in the budget, I do not know where we would stop. The government is, however, gathering all the information it can about this particular case. I do not want to hold out any hope to my hon. friend that the usual procedure will be departed from, but we are gathering the information. May I point out to him one difficulty? He thinks in terms of the large dealer. He speaks of his warehouse. What about the little grocer that had tea on his shelves on the 1st of May, and every little grocer throughout the country had tea on his shelves at that time. Doubtless some of the wholesale dealers—perhaps all of them; I do not know—would take care of the little grocer and make the necessary adjustment with him. But if the principle of making adjustments is once recognized by the government, my hon. friend would be the first to agree—I know he is a fairminded man—that the adjustment should be made all along the line; that whoever suffered by reason of such a condition, should receive equal relief. I know he would say that.

Mr. MacLAREN: I would not say anything of the kind. In order to save the minister the trouble of elaborating or meeting an arugment that I am not advancing, I said that this was an unusual condition. I said that it was unusual for the government to follow the tea into the warehouse after it had been released.

Mr. DUNNING: I wish my hon. friend would let me finish my statement. I listened patiently to him for nearly half an hour.

Mr. MacLAREN: Then let him not put forward an argument I am not making.

Mr. DUNNING: When my hon. friend interrupted me, I was not putting forward any argument at all as to the past. I was merely pointing out to him that on the 1st of May there was tea on the shelves of every grocery store from one end of Canada to the other, as well as in the warehouses of the wholesale dealers of whom my hon. friend was speaking, and I was saying that he would be the first man to recognize that any relief that was given should be given to all who were similarly situated, whether wholesalers or retailers. I was pointing out that would be one of the difficulties in operation in connection with any refunds which might be made. I am sure he will agree with that. What I intended to conclude by saying, if possible before eleven o'clock, was that while at the moment I do not hold out any great hope that any such arrangement can be made, the government, in consequence of represenations which have been made by tea dealers all across Canada, is now through the Minister of National Revenue gathering the necessary information in order to be able to decide whether or not anything can or should be done with regard to the matter. I cannot, if I talk all evening, say anything more definite than that, but it is a certainty that we could not make an arrangement which would affect only the wholesale tea dealers, and the ramifications of an arrangement which would ensure that every grocery store was taken care of, offers difficulties which I am sure my hon. friend appreciates. In the meantime the information is being secured and the decision will be made by the government as soon as possible.



Mr. STEVENS: Will the minister be good enough to bring down certain information on this item? I should like to have information to this effect: the importations for each month, January, February, March and April; the amount released from bond in each of those months, and the amount in bond at the end of each month. I think that is easily available for the leading ports in Canada and for the whole of Canada.

Mr. DUNNING: I have not the information in my department, but I think we can secure it from either the Department of National Revenue or the Department of Trade and Commerce, I am not sure which.

Mr. STEVENS: From the Department of National Revenue.

Mr. DUNNING: Does my hon. friend want the item to stand until that information has been furnished?

Mr. STEVENS: I am not asking that the item stand, but will the minister just say that the information will be brought down?

Mr. DUNNING: Yes.

Mr. CAHAN: I think the item should stand, because there is a great deal of discussion throughout the country as to the release of tea from bond after this duty went into force.

Mr. DUNNING: Discussion about what?

Mr. CAHAN: There is a great deal of discussion throughout the country with respect to the quantity of tea in bond on the date of delivery of this budget when this item came into force, and the alleged larger quantities thereafter released for the market.

Mr. DUNNING: Released after the budget?

Mr. CAHAN: Yes, I think the hon. gentleman can see the point that I am suggesting. I think before we are precluded from discussing this tea item we should have that information.

Mr. DUNNING: Perhaps my hon. friend would not leave me on a Friday night with an insinuation like that in the air.

Mr. CAHAN: I am making no insinuation at all.

Mr. DUNNING: My honour as Minister of Finance is at stake in anything like that. My hon. friend had better speak plainly.

Mr. CAHAN: The information should therefore be brought down.

Mr. DUNNING: I would like my hon. friend to speak plainly.

Mr. CAHAN: I am speaking plainly.

Mr. DUNNING: I did not get for a moment the full force of what my hon. friend was intimating.

Mr. CAHAN: I am speaking plainly.

Mr. DUNNING: What does my hon. friend mean?

Mr. CAHAN: I simply mean that there is a good deal of discussion going on with respect to the quantity of tea in bond prior to the date of the delivery of the budget speech and the quantity which was released from bond thereafter. I think we should have that information.

Mr. DUNNING: Certainly my hon. friend will get the information. What he means to convey is the insinuation that by some means someone knew what was going to be done in the budget.

Mr. CAHAN: I am making no insinuation whatever.

Mr. DUNNING: My hon. friend is saying what he is saying quite publicly. He knows that it will go to the four corners of Canada, and that it reflects upon me if it reflects upon anyone. It is decidedly unfair. He knows that I could not have the information brought down to-night whatever it may be. I do not know what the information may reveal. He knows that the matter will have to stand over until Monday, and in the meantime that imputation will go abroad from one end of Canada to the other.

Mr. CAHAN: The hon. gentleman need not get excited at all. No imputation at all is made on his honour.

Mr. DUNNING: I know.

Mr. CAHAN: I am not in the habit of making imputations.

Mr. DUNNING: You have made one successfully.

Mr. CAHAN: I have lived this life so long that I have courage to make any insinuations which I desire to make. If the minister does not know that there are discussions of that kind going on in the market places, he ought to thank me for telling him. Such a discussion is going on. I have not the slightest doubt as to the minister's integrity. I have not the slightest suspicion that one word went out from him to the public. I am not making any imputation, but I say that that information should be before this house before this item passes and further discussion is precluded. I have just as much confidence in the integrity of the minister as I have in my own or in the integrity of the Prime Minister or of the leader of the opposition or any other hon. member of this house. I would be the last one to make an imputation of that kind against the minister. Certainly I believe in his honour. But that matter should be settled.

Mr. DUNNING: I can assure my hon. friend that it will be settled. It is not a question of whether this item carries or not. So far as I am concerned, the information certainly will be secured. I have no knowledge whatever of what it may be.

Mr. CAHAN: I have not either.

Mr. DUNNING: Many of the tea dealers in Canada have made representations as to the duties on tea to former finance ministers year after year, and I would be very much surprised indeed, if when a budget was coming along—any budget in any year, this year, last year, the year before, five years ago, any year—they did not seek to be in as safe a position as they could in relation to their own business by the time the budget came down. That applies not only with respect to dealers in tea but with respect to dealers in other commodities which might be considered as possibly to be affected by any budget changes. The same thing, of course, occurs, as my hon. friend knows, in England every year. Any business which might conceivably be affected by a budget to be brought down watches very closely its own position with regard to stocks and so forth before the budget comes down, and tries to remain in as safe and sound a position as possible. I can assure my hon. friend that the information will be brought down whether or not the item passes. It has nothing to do with the item. I was perhaps misled by the manner in which my hon. friend first expressed himself. I gather now that he was not intending any such reflection upon me, and I am very glad to have him make that statement.

Mr. CAHAN: I have no doubt about you in the world.

Mr. DUNNING: This being my first budget I was most careful, so careful that I locked up every document every time I went out of the office. It is a very delicate matter. The information will be brought down. I understand my hon. friend wants the amount released from bond for each month, and so forth.

Mr. STEVENS: The importations, the amount released, and the amount remaining in bond at the end of the month.

Mr. DUNNING: I would be very much surprised if the whole trade or a large part of it did not remain in a careful position.

Mr. CAHAN: We will see to what extent they guessed right.

Amendment (Mr. Motherwell) agreed to.

Mr. CAHAN: Has the minister any definite information as to the amount of tea stocks on hand in warehouse throughout Canada on which duty has been paid?

Mr. DUNNING: I have not the slightest idea. I made no inquiries about that whatever. My hon. friend can imagine why I did not want to make any such inquiries.

Item stands.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 10.58 p.m.

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## Monday, May 19, 1930

The house met at three o'clock.

### REPORT OF COMMITTEE

Second report of the select standing committee on industrial and international relations.—Mr. McIntosh.

### PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 245, for the relief of Hilda Walker Baker.—Mr. Young (Toronto Northeast).

Bill No. 246, for the relief of Mary Violet Baxter.—Mr. Lawson.

Bill No. 247, for the relief of Harry Hutcherson Davis.—Mr. Sanderson.

Bill No. 248, for the relief of James Lewis Watterworth.—Mr. Taylor.

Bill No. 249, for the relief of Harvey Mennie Cross.—Mr. Church.

Bill No. 250, for the relief of Muriel Parke Wood.—Mr. Black (Yukon).

[Mr. Dunning.]

Bill No. 251, for the relief of Albert Hull.—Mr. Ryckman.

Bill No. 252, for the relief of Jessie Coles.—Mr. Young (Toronto Northeast).

Bill No. 253, for the relief of Annie Almeda McCormick.—Mr. Ross (Kingston).

Bill No. 254, for the relief of Madeline Schnarr Nichol.—Mr. Ross (Kingston).

Bill No. 255, for the relief of Phyllis Gertrude Smith.—Mr. Anderson (Toronto-High Park).

Bill No. 256, for the relief of Josephine Laura Calder.—Mr. Young (Toronto Northeast).

Bill No. 257, for the relief of Minerva Gray.—Mr. Young (Toronto Northeast).

Bill No. 258, for the relief of Mary Jane McCrossan.—Mr. Harris.

Bill No. 259, for the relief of Robert Bruce Hart.—Mr. Harris.

Bill No. 260, for the relief of Hetmanska Bereta.—Mr. Harris.

Bill No. 261, for the relief of Lillian Alberta Sparling.—Mr. McQuarrie.

Bill No. 262, for the relief of Ebenezer Ward Russell.—Mr. Anderson (Toronto-High Park).

Bill No. 263, respecting the capital stock of Prudential Trust Company, Limited.—Mr. Casgrain.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL STEAMSHIPS—EMPLOYEES

Mr. JOHNSTONE (Cape Breton North Victoria):

1. Is it the policy of the government to employ only Canadians on the Canadian National steamships?
2. How many, or in what proportion, are the Canadian employees on the said steamships?

Mr. CRERAR:

1. In accordance with the policy of the government in such matters, preference is, as far as practicable, given to Canadians in the employment of crews by the Canadian National Steamships management.

2. The proportion of Canadians employed on the steamships is 85 per cent of the total of the crews carried. This figure does not take into account waiters and stewards carried on Canadian National West Indies steamers where, owing to climatic conditions, it is necessary to employ West Indians.

RADIUM TREATMENT

Mr. ROSS (Kingston):

1. Did the government at any time pass an order in council refusing radium in treatment of ex-service men?

2. If so, what is the number of the said order in council, the date, and the contents thereof?

Mr. KING (KOOTENAY):

1. No.

2. Answered by No. 1.

COMPARATIVE TARIFF RATES

Mr. ADSHEAD:

The Winnipeg Tribune of May 5 gives the following table which purports to show the different rates of duties as under the old tariff and the tariff just enacted:—

| Carload— | Old duty | New duties |
|---|---|---|
| Celery | $189 00 | $450 00 |
| Tomatoes | 236 25 | 504 00 |
| Quart box berries | 250 88 | 430 00 |
| Pint box berries | 245 76 | 366 64 |
| Cabbages | 120 00 | 440 00 |
| Onions | 165 00 | 231 00 |

1. Is the above statement correct?

2. If so, how is the duty computed?

Mr. EULER:

1: No.

2. Duties are being computed in accordance with the resolutions submitted to parliament on the 1st of May, 1930.

PRODUCTION OF BUTTER IN CANADA

Mr. GIROUARD:

1. What quantity of butter was produced in Canada during the years 1927, 1928, 1929?

2. What was the consumption of butter during the said years?

3. What quantity of: (a) milk; (b) cream; was produced in Canada during the years, 1927, 1928, 1929?

4. What quantity of: (a) milk; (b) cream; was exported to the United States during the said years?

5. What quantity of cheese was produced in Canada during the years 1927, 1928, 1929?

6. What quantity of cheese was exported during the said years?

Mr. MALCOLM:

1. Canada's production of butter during the calendar years 1927, 1928 and 1929, was:

| Years | Pounds |
|---|---|
| 1927 | 271,978,947 |
| 1928 | 258,027,039 |
| 1929 | Not available |

2. Canada's consumption of butter during the calendar years 1927, 1928 and 1929, was:

| Years | Pounds |
|---|---|
| 1927 | 273,431,070 |
| 1928 | 280,657,076 |
| 1929 | Not available |

3. Canada's production of (a) milk; (b) cream, during the years 1927, 1928 and 1929, was:

| Years | (a) Milk Pounds | (b) Cream Pounds |
|---|---|---|
| 1927 | 14,825,821,086 | No separate |
| 1928 | 14,512,897,961 | statistics |
| 1929 | Not available | compiled |

4. Canada's domestic exports of (a) milk; (b) cream, to the United States during the calendar years 1927, 1928 and 1929, were:

| Years | (a) Milk Gal. | (b) Cream Gal. |
|---|---|---|
| 1927 | 3,673,242 | 4,044,073 |
| 1928 | 3,959,812 | 3,042,704 |
| 1929 | 3,291,819 | 2,385,754 |

5. Canada's production of cheese during the calendar years 1927, 1928 and 1929, was:

| Years | Pounds |
|---|---|
| 1927 | 138,472,325 |
| 1928 | 145,019,678 |
| 1929 | Not available |

6. Canada's domestic exports of cheese during the calendar years 1927, 1928 and 1929, were:

| Years | Pounds |
|---|---|
| 1927 | 110,533,000 |
| 1928 | 114,152,500 |
| 1929 | 92,946,100 |

EMIGRATION TO THE UNITED STATES—TAXATION

Mr. BOULANGER:

1. Does the Canadian government impose a tax on Canadians who migrate to the United States?

2. Does the American government collect a tax from Canadians entering the United States?

3. If so, what amount in each case?

Mr. STEWART (Edmonton):

1. No.

2. Yes, from immigrants.

3. $8 in the case of No. 2.

FRUIT IMPORTS—BRITISH PREFERENCE

Mr. PECK:

What were the values of the imports under the British preferential tariff, during the last fiscal year, of fresh fruits referred to in proposed new tariff item numbered 92?

Mr. EULER:

$148.

IMPORTS—BRITISH PREFERENTIAL, INTERMEDIATE AND GENERAL TARIFFS

Mr. PECK:

What were the values of the imports during the last fiscal year, under the British preferential, intermediate and general tariffs, respectively, of the class of goods referred to in proposed new tariff items numbered respectively, 87b, 87k, 306, 366, 388, 388a, 405a, 409a, 409o, 445, 445a and 445b?

Mr. EULER:

| Tariff item number | General tariff | Preferential tariff | Intermediate tariff |
|---|---|---|---|
| | Value | Value | Value |
| *87 (b) | | | |
| *87 (k) | | | |
| 306 | $ 532,770 | $ 17 | — |
| 388 & 388 (a) | 8,983,786 | 130,470 | $488,743 |
| 366 | 1,616,966 | 11 | — |
| 405 (a) | 35,458 | 325 | — |
| 409 (a) | 218,975 | 8,786 | — |
| 409 (o) | 118,647 | 17,721 | — |
| 445 | 1,101,041 | 34,948 | 45,583 |
| 445 (a) | 1,454,676 | 47,033 | 72,216 |
| 445 (b) | 253,846 | 3,072 | 30,508 |

* Figures not available, as green beans (87b) and green peas (87k) are not separately enumerated in the statistical classification of imports.

DECREASE IN DAIRY CATTLE

Mr. GOTT:

1. What is the decrease in milch cows in Canada each year since 1925?
2. What is the decrease in swine, per year, since 1925?
3. How many pounds less of milk were used in the production of butter in Canada in 1929 than in 1925?
4. How many pounds less of milk were used in the production of cheese in Canada in 1929 than in 1925?
5. What was the total export from Canada for the years 1924 to 1929, inclusive, of: (a) pork; (b) bacon; (c) cheese; (d) butter; (e) milk and cream, condensed; (f) milk and cream?
6. How much butter was produced in Canada each year, 1920 to 1930, inclusive?
7. How much cheese was produced in Canada each year, 1920 to 1930, inclusive?

Mr. MALCOLM:

1. The number of milch cows in Canada, with increase or decrease, since 1925, was:

| Years | No. | Increase (+) or Decrease (—) |
|---|---|---|
| 1924 | 3,726,985 | — |
| 1925 | 3,830,175 | (+) 103,190 |
| 1926 | 3,839,191 | (+) 9,016 |
| 1927 | 3,894,311 | (+) 55,120 |
| 1928 | 3,792,522 | (—) 101,789 |
| 1929 | 3,778,277 | (—) 14,245 |

2. The number of swine in Canada with increase or decrease, since 1925, was:

| Years | No. | Increase (+) or Decrease (—) |
|---|---|---|
| 1924 | 5,069,181 | — |
| 1925 | 4,426,148 | (—) 643,033 |
| 1926 | 4,359,582 | (—) 66,566 |
| 1927 | 4,694,789 | (+) 335,207 |
| 1928 | 4,497,367 | (—) 197,422 |
| 1929 | 4,381,725 | (—) 115,642 |

[Mr. Peck.]

3. Statistics for dairying, 1929, not available. Comparing 1928 with 1925 there were 373,567,232 less pounds of milk used for butter production in 1928 than in 1925.

4. Statistics for dairying, 1929, not available. Comparing 1928 with 1925 there were 241,336,965 less pounds of milk used for cheese production in 1928 than in 1925.

5. Canada's domestic exports of (a) pork, (b) bacon, (c) cheese, (d) butter, (e) milk and cream, condensed, (f) milk and cream, during the calendar years 1924 to 1929, inclusive, were:

(a) Pork, fresh, chilled or frozen—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 7,951,200 | 1,281,302 |
| 1925 | 9,429,800 | 1,809,945 |
| 1926 | 10,009,700 | 2,257,147 |
| 1927 | 15,646,200 | 3,141,440 |
| 1928 | 7,936,300 | 1,565,708 |
| 1929 | 3,945,400 | 788,760 |

(a) Pork, dry salted—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 5,308,200 | 714,629 |
| 1925 | 5,690,100 | 1,040,998 |
| 1926 | 4,775,900 | 1,067,036 |
| 1927 | 5,692,400 | 1,054,351 |
| 1928 | 1,645,000 | 303,839 |
| 1929 | 4,401,800 | 873,738 |

(a) Pork, pickled—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 1,516,100 | 176,007 |
| 1925 | 2,166,500 | 288,077 |
| 1926 | 2,012,800 | 327,366 |
| 1927 | 3,175,700 | 528,686 |
| 1928 | 1,433,500 | 191,021 |
| 1929 | 1,837,500 | 194,039 |

(b) Bacon and hams, shoulders and sides—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 113,395,700 | 19,991,636 |
| 1925 | 132,522,900 | 29,055,490 |
| 1926 | 93,185,000 | 22,768,782 |
| 1927 | 58,067,400 | 12,421,755 |
| 1928 | 41,339,300 | 8,722,817 |
| 1929 | 28,772,700 | 6,868,646 |

(c) Cheese—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 121,465,600 | 22,375,787 |
| 1925 | 150,742,900 | 34,575,980 |
| 1926 | 134,656,600 | 24,857,868 |
| 1927 | 110,533,000 | 22,012,543 |
| 1928 | 114,152,500 | 25,467,642 |
| 1929 | 92,946,100 | 18,503,575 |

(d) Butter—

| Years | Pounds | $ |
|---|---|---|
| 1924 | 22,343,939 | 8,000,512 |
| 1925 | 26,646,535 | 9,917,516 |
| 1926 | 9,814,000 | 3,352,829 |
| 1927 | 2,696,000 | 1,068,610 |
| 1928 | 1,994,800 | 805,055 |
| 1929 | 1,400,400 | 583,065 |

(e) Milk, condensed, canned or preserved—

| Years | Pounds | $ |
|---|---|---|
| 1924.. .. .. | 47,515,600 | 5,319,364 |
| 1925.. .. .. | 47,683,600 | 5,088,441 |
| 1926.. .. .. | 41,249,500 | 4,522,673 |
| 1927.. .. .. | 40,209,100 | 4,208,975 |
| 1928.. .. .. | 32,006,700 | 3,463,709 |
| 1929.. .. .. | 31,982,200 | 3,625,361 |

(f) Milk and cream—

| Years | Pounds | $ |
|---|---|---|
| 1924.. .. .. | 6,185,101 | 5,851,773 |
| 1925.. .. .. | 8,391,680 | 7,784,222 |
| 1926.. .. .. | 9,258,834 | 8,572,448 |
| 1927.. .. .. | 7,718,158 | 7,850,032 |
| 1928.. .. .. | 7,003,230 | 6,460,319 |
| 1929.. .. .. | 5,677,573 | 5,661,792 |

6. Canada's production of butter, calendar years 1920 to 1930, was as under:

| Years | Pounds |
|---|---|
| 1920.. .. .. .. .. .. | 215,179,224 |
| 1921.. .. .. .. .. .. | 228,744,610 |
| 1922.. .. .. .. .. .. | 252,501,900 |
| 1923.. .. .. .. .. .. | 162,834,608 |
| 1924.. .. .. .. .. .. | 278,893,937 |
| 1925.. .. .. .. .. .. | 269,494,967 |
| 1926.. .. .. .. .. .. | 272,209,287 |
| 1927.. .. .. .. .. .. | 271,978,947 |
| 1928.. .. .. .. .. .. | 258,027,039 |
| 1929.. .. .. .. .. .. | Not available |
| 1930.. .. .. .. .. .. | Not available |

Note.—The figures for dairy butter production are estimates.

7. Canada's production of cheese, calendar years 1920 to 1930, was as under:

| Years | Pounds |
|---|---|
| 1920.. .. .. .. .. .. | 149,735,417 |
| 1921.. .. .. .. .. .. | 162,617,494 |
| 1922.. .. .. .. .. .. | 136,321,116 |
| 1923.. .. .. .. .. .. | 152,124,376 |
| 1924.. .. .. .. .. .. | 150,158,004 |
| 1925.. .. .. .. .. .. | 177,672,129 |
| 1926.. .. .. .. .. .. | 172,248,376 |
| 1927.. .. .. .. .. .. | 138,472,325 |
| 1928.. .. .. .. .. .. | 145,019,678 |
| 1929.. .. .. .. .. .. | Not available |
| 1930.. .. .. .. .. .. | Not available |

Note.—The figures for home made cheese are estimates.

## UNOPPOSED MOTIONS FOR PAPERS

FISHERY GUARDIANS—FORT ST. JAMES AND FORT GEORGE

Mr. FRASER:

For a copy of all letters, telegrams, recommendations, memoranda, or other correspondence, between the Minister of Marine and Fisheries, or any of the departmental officials, and any person or persons relating to the appointment of fishery guardians at Fort St. James and Fort George, British Columbia, for the season 1930.

WESLEY HAMILTON, CHESTERVILLE

Mr. ROWE:

For a copy of all letters, telegrams and other documents passing between any person or persons and any department of the government or any official thereof, respecting a certain charge or charges laid against one Wesley Hamilton of Chesterville, for an infraction of the regulations respecting the grading of eggs, and the withdrawal of the said charge or charges.

## CANADIAN NATIONAL RAILWAYS, PENSION OF LUDGER CARRIER

Mr. L. K. LAFLAMME (Montmagny) (for Mr. Pouliot) moved:

For a copy of all correspondence, reports, petitions and other documents, concerning the application for a pension for Ludger Carrier, formerly an employee of the Canadian National Railways at Riviere du Loup.

Hon. J. H. KING (Minister of Pensions and National Health): I would like to ask the hon. member if this notice applies to war pensions or to railway pensions. If it applies to war pensions I think he should let it stand.

Mr. SPEAKER: Stands.

## PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 139, to incorporate The Hamilton Life Insurance Company.—Mr. Bell (Hamilton West).

Bill No. 141, for the relief of Verna Gladys Stannard—Mr. Geary.

Bill No. 142, for the relief of Christina McVicars—Mr. Lawson.

Bill No. 143, for the relief of Vivian Francis Young—Mr. Casselman.

Bill No. 144, for the relief of Erie Godwin Havens—Mr. Rutherford.

Bill No. 145, for the relief of Ruth Elizabeth Greene—Mr. Hepburn.

Bill No. 146, for the relief of Muriel Palmer —Mr. Casselman.

Bill No. 147, for the relief of Elizabeth Anderson—Mr. Sanderson.

Bill No. 148, for the relief of Edith Elizabeth Gibson—Mr. Lawson.

Bill No. 149, for the relief of Margaret Wallace—Mr. Garland (Carleton).

Bill No. 150, for the relief of Mary Ellen Peever—Mr. Arthurs.

Bill No. 151, for the relief of Annie Emily Simpson—Mr. Garland (Carleton).

Bill No. 152, for the relief of Abraham Gleadall—Mr. Pettit.

Bill No. 153, for the relief of Ann Pisano—Mr. Pettit.

Bill No. 154, for the relief of Florence Louise Pretoria Pollock—Mr. Black (Yukon).

Bill No. 155, for the relief of Alma Vera Cochrane—Mr. Gray.

Bill No. 156, for the relief of Edith Jane Cartwright—Mr. Black (Yukon).

Bill No. 157, for the relief of Annie Hewitson Taunton—Mr. Harris.

Bill No. 158, for the relief of James Henry Loree—Mr. Hay.

Bill No. 159, for the relief of Cecelia Leta Rice—Mr. Harris.

Bill No. 160, for the relief of Audrey Lillian Connelly—Mr. Garland (Carleton).

Bill No. 161, for the relief of Robert Webb—Mr. Garland (Carleton).

Bill No. 162, for the relief of Lillian Martha Cecile Martin—Mr. Lawson.

Bill No. 163, for the relief of Antoine Joseph Bourdon—Mr. Black (Yukon).

Bill No. 164, for the relief of Irene Clarice Bunting—Mr. Hay.

Bill No. 165, for the relief of Lawrence Wellington Robertson—Mr. Black (Yukon).

Bill No. 166, for the relief of Gordon Robert Foster—Mr. Geary.

Bill No. 167, for the relief of Andrew Chauncey Sanders—Mr. McPhee.

Bill No. 168, for the relief of Isador Simpson—Mr. Boys.

Bill No. 169, for the relief of Royal May Frances Hider—Mr. Lawson.

Bill No. 170, for the relief of Margaret Caroline Watson—Mr. Harris.

Bill No. 171, for the relief of Myrtle Alice Niece—Mr. Young (Toronto Northeast).

Bill No. 172, for the relief of Broadus Baxter Fanner—Mr. McPhee.

Bill No. 173, for the relief of Meryl Grigg Fizzell—Mr. Arthurs.

Bill No. 174, for the relief of Mabel Ann Dixon—Mr. McQuarrie.

Bill No. 175, for the relief of Annie Pettit Nicholls—Mr. Heaps.

Bill No. 176, for the relief of Thomas William Treadway—Mr. Lawson.

Bill No. 177, for the relief of Pearl Robena Close—Mr. Ladner.

Bill No. 178, for the relief of Ivy Lillian Echlin—Mr. Boys.

Bill No. 179, for the relief of Thomas Clifton Dawes—Mr. Sanderson.

Bill No. 180, for the relief of Herbert Dean Philip—Mr. Garland (Carleton).

Bill No. 181, for the relief of William Pearson—Mr. Garland (Carleton).

Bill No. 182, for the relief of William Woods—Mr. Young (Toronto Northeast).

Bill No. 183, for the relief of Mary Cameron McMillan—Mr. Young (Toronto Northeast)

Bill No. 184, for the relief of Bridget Gladys Vivian Tegart—Mr. Heaps.

[Mr. Speaker.]

Bill No. 185, for the relief of Charles Coblens.—Mr. Heaps.

Bill No. 186, for the relief of Esther Gertrude Wooder.—Mr. Jacobs.

Bill No. 187, for the relief of Eleanor Jane Moorhead.—Mr. Black (Yukon).

Bill No. 188, for the relief of Aubrey Robert Alce.—Mr. Bell (St. Antoine).

Bill No. 189, for the relief of Edith Lerene Collins.—Mr. Lawson.

Bill No. 190, for the relief of Florence Ada Bark Simpson.—Mr. White (Mount Royal).

Bill No. 191, for the relief of Helen Theresa Baker.—Mr. Lawson.

Bill No. 192, for the relief of Harry Everett Markell.—Mr. Murphy.

Bill No. 193, for the relief of George Wellington Garfield Neal.—Mr. Murphy.

Bill No. 194, for the relief of Sarah Delia Baker Tribe.—Mr. Bell (St. Antoine).

Bill No. 195, for the relief of Elsie Emily Disney.—Mr. Ryckman.

Bill No. 196, for the relief of Harry Douglas Towers.—Mr. Casselman.

Bill No. 197, for the relief of Elizabeth Warga.—Mr. Sanderson.

Bill No. 198, for the relief of William Thomas Raines.—Mr. Casselman.

Bill No. 199, for the relief of Enos Nuttall Davis.—Mr. Boys.

Bill No. 200, for the relief of Violet May McFadden.—Mr. Lawson.

Bill No. 201, to incorporate The Portage la Prairie Mutual Insurance Company.—Mr. McPherson.

Motion for third readings agreed to on division.

## PENSION ACT AMENDMENT

### RESOLUTION TO GIVE EFFECT TO RECOMMENDATIONS OF SPECIAL COMMITTEE ON SOLDIERS' PROBLEMS

Hon. J. H. KING (Minister of Pensions and National Health) moved that the house go into committee to-morrow to consider the following proposed resolution:

That it is expedient to bring in a measure to amend the Pension Act, to carry into effect the recommendations of the special committee on pensions and returned soldiers' problems submitted to the house on 14th May instant; and to provide for the salaries to be paid to the chairman and members of the pension tribunal, the president and members of the pension appeal court, and for pension to be granted to any member of the said bodies, or of the commission, on retirement; and for the salaries of the other proposed officials, and travelling and living expenses as prescribed;

and for the constitution of a branch of the department to be known as the veterans' bureau.

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.

## RETURNED SOLDIERS' INSURANCE

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee to-morrow to consider the following proposed resolution:

That the time for receiving applications for insurance under the Returned Soldiers' Insurance Act be extended for three years from the 31st August, 1930.

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

Motion agreed to.

## FAMOUS PLAYERS CANADIAN, CORPORATION

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. the Prime Minister (Mr. Mackenzie King) whether he is in a position to answer the question raised on Friday last by the hon. member for Vancouver Centre (Mr. Stevens) regarding an alleged moving picture monopoly in Canada, the difficulties which have been experienced by the minority shareholders in the assertion of their position, and whether or not the government contemplates taking any action in the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. Secretary of State (Mr. Rinfret), anticipating that reference would be made to this matter, left with me a memorandum in connection with it. I do not know whether or not it is the wish of my hon. friend that that memorandum should be read to the house or laid on the table.

Mr. BENNETT: If the right hon. gentleman would read it, it would be available on Hansard. A great many people are interested in this matter, and I have received many communications in connection therewith.

Mr. MACKENZIE KING: The memorandum prepared for the Secretary of State and signed by the Under-Secretary of State, reads as follows:

Ottawa, May 19, 1930.

Famous Players Canadian Corporation, Limited, was incorporated on the 23rd of January, 1920, under the provisions of The Companies Act.

The capital structure has since been modified, and according to the last annual return, made under section 137 of The Companies Act, dated 12th May, 1930, the authorized capital is given as 600,000 shares without nominal or par value. Of these 378,395 have been taken up.

There is outstanding an issue of $3,000,000 debentures and $6,000,000 of bonds.

The names and addresses of the directors are:

Adolph Zukor, president, address: Paramount Famous Lasky Corporation, New York City.

Sir William Wiseman, address: Paramount Famous Lasky Corporation, New York City.

S. R. Kent, address: Paramount Famous Lasky Corporation, New York City.

I. W. Killam, address: Royal Securities Corporation, Montreal.

W. J. Sheppard, address: Waubaushene, Ont.

J. B. Tudhope, address: Orillia, Ont.

J. P. Bickell, vice-president, address: Standard Bank Building, Toronto.

Arthur Cohen, address: 1200 Royal Bank Building, Toronto.

The prospectus issued to the public in March, 1929, referred to in Mr. Stevens' statement, is not on file in the department.

So far as the Department of the Secretary of State is concerned, the government has not been apprized of any circumstances connected with the sale of the Famous Players Canadian Corporation, Limited, to the Paramount Famous Lasky Corporation.

It is difficult to understand why any reference to the government on this subject should be made. The Companies Act does not confer upon the Department of the Secretary of State or any other department of the government any authority to intervene in any action which may be taken by the shareholders in accordance with the provisions of the act. If the provisions of the act have not been completely complied with any relief upon the subject would be afforded by the courts.

Mr. BENNETT: Rather than unnecessarily take up time in moving the adjournment of the house in order to discuss this matter, I shall simply point out to the Prime Minister that there are three questions which it seems to me might be considered by this parliament and settled by governmental action. The first is in connection with the amendment of the Companies Act so as to provide for the control of a medium, not only of amusement but of education of this type. Considerable discussion has taken place as to whether companies carrying on this business should not be under the control of Canadian directors.

The second question which I have been asked to submit to the house is as to whether or not the present condition is not a violation of the Combines Act, and the third question is as to the rights of minority shareholders.

The question raised by the parties interested must be settled by the courts, as we

have nothing to do with that. The only question to be considered is the policy to be pursued in a matter of such national importance, in view of the fact that it is alleged that production, distribution and exhibition of films are controlled by a company controlled and managed in a foreign country. This might create a condition which would necessitate governmental action, and this house should consider whether or not, before prorogation, governmental action should be taken so as to safeguard an interprovincial and a national business. This matter concerns the provinces from British Columbia to Prince Edward Island. It is not only with the films themselves we are concerned, but there is involved in the question the buildings in which such films are exhibited. I suppose the right hon. gentleman has seen the press report of the meeting which took place in Toronto a few days ago, at which meeting a very large number of Canadian shareholders expressed grave concern, not with respect to their investment but with respect to the national aspect of the question. I quite agree with the statement of the Under-Secretary of State that the rights of individual and minority shareholders in matters of this kind do not concern this parliament. That is a matter for the courts, but we should consider the national aspect of the question. The government might well consider the broad question of amendments which might be made to the Companies and other acts to meet the situation.

Hon. PETER HEENAN (Minister of Labour): Mr. Speaker, I had no information that this question would be asked to-day. My hon. friend must realize that it is hardly right to discuss matters which are to be investigated under the Combines Investigation Act, but for his information I would state that this company is now being investigated.

Mr. BENNETT: I understand it is being investigated in the United States.

## OWNERSHIP OF LANDS BY ORIENTALS

PROPOSED REFERENCE TO SUPREME COURT OF QUESTION OF LEGISLATIVE POWERS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, might I be permitted to direct the Prime Minister's attention to a resolution standing in my name, being number 8 on page 18 of the orders of the day, suggesting a reference to the Supreme Court of Canada on certain matters affecting orientals in Canada. May I ask if the right hon. the Prime Minister will afford facilities for the discussion of that resolution before the close of the session? He no doubt realizes that there are matters involved in this resolution which are more or less uncertain, and I understand that the right hon. Prime Minister has written some letters regarding this matter. There seems to be some uncertainty as to the respective powers of the provinces and the Dominion. I do not think that this resolution would involve much discussion, because it is not controversial in character, but if it is impossible to bring it up for discussion, I would like to know if the government would take steps, without the passage of this resolution, to have such a reference submitted to the supreme court. The Prime Minister is quite familiar with the questions involved and I have no doubt that he appreciates the necessity for the reference.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, had my hon. friend given me any intimation of his intention to ask this question I would have been in a better position to reply to him. However, my experience is that at the end of every session several hon. members ask for some special privilege regarding resolutions which they have on the order paper, but which have not been taken up. In the past it has not been possible to grant such a privilege to one hon. member and refuse it to another, and I am afraid if the door is opened by setting aside a time for the discussion of matters which do not come up in the regular order, we will be putting ourselves under obligations which it may be difficult to meet. I would not like to say more than this at the present time, but I will think the matter over.

Mr. McQUARRIE: Would the government consider submitting this reference without the necessity of discussing the resolution itself?

Mr. MACKENZIE KING: Perhaps the Minister of Justice (Mr. Lapointe) could take that under consideration.

## FASCIST FILMS SHOWN IN OTTAWA

On the orders of the day:

Mr. J. S. WOODWORTH (Winnipeg North Centre): Mr. Speaker, I asked a question on Friday of the Minister of Justice (Mr. Lapointe) regarding the reported activities of the Fascists in Canada, to which I have not as yet received an answer.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I have asked for information regarding this question, but as yet I have not received a report.

## CANADIAN NATIONAL RAILWAYS

### PENSION OF LUDGER CARRIER

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, I was not in the house when the notice of motion for production of papers which stands in my name was called. For the information of the hon. minister, I would state that this notice of motion refers to a pension to be paid by the Canadian National Railways and not by the Pensions department.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Sir Eugene Fiset in the chair.

2. Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, be amended by repealing subsection two of section six thereof and by substituting the following therefor:—

(2) Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purpose of special duty when the goods are entitled to entry under the British preferential tariff, intermediate tariff or any more favourable tariff.

The CHAIRMAN (Sir Eugene Fiset): This resolution was amended by adding thereto the following as section 2a:

2a. Customs duties of the United Kingdom shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the intermediate tariff or any more favourable tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

Mr. CAHAN: When the committee were discussing this item on Thursday and Friday of last week, I called attention to the fact that in the province of Quebec a number of factories were deeply interested in the matter under consideration and the hon. member for Lincoln also directed attention to the fact that in his own constituency and elsewhere in the province of Ontario a number of silk factories were also concerned. In order that I may present my views more clearly before the committee, I wish to state generally that this item affects particularly the broad silk industry of this country and importations from Japan of silk of that class and description. The broad silk industry was started in Canada by the incorporation of the Bruck Silk mills at Cowansville, Quebec, in December, 1921. That was the first really substantial effort made with respect to the production of silk cloths in this country. According to returns which are published in the financial journals, that company now has $800,000 invested. It began to market its production in Canada in 1923, and this initial enterprise was followed by the incorporation in 1923 of two other companies which commenced operations in 1924.

From this small beginning there are to-day eight silk plants in Quebec and six silk plants in Ontario in actual operation, and another plant of very considerable size is projected and I understand is now under way for the production of broad silk alone at Valleyfield, Quebec. The total looms installed number about 1,200, and when the proposed plant at Valleyfield is in operation, 200 looms will be added, making about 1,400 looms in all. In addition to this there are certain Canadian celanese factories, some of them in Quebec, with approximately 500 looms. These factories make a product that is being and has been used in recent months to take the place of Japanese importations. This would make a total productive capacity of about 1,700 looms actually installed, with 200 more about to be installed, or a total of 1,900 looms which will give employment to approximately 1,200 people as wage earners. The proposal under discussion affects all of these people of whom no less than 1,400 are resident in Quebec.

I have gathered from the technical returns published a statement regarding a number of these factories in both Quebec and Ontario. This is an industry which is located largely in towns of comparatively small population where the employment given is of great advantage to the people living in those smaller communities. At Cowansville in Missisquoi county, which is represented by the hon. member for Brome-Missisquoi, there is the Bruck Silk Mills, Limited, which has a capital investment of $800,000. This was the company which was incorporated in 1921 and to which I made reference. According to the latest returns which I could find, it has 240 broad looms suitable for and actually engaged in the manufacture of broad silk cloths. It has 5,600 spindles et cetera. This is a most important industry in Cowansville which, according to recent returns, has a population of less than 1,200.

At Drummondville in the constituency of Drummond-Arthabaska, which is represented by one of my hon. friends opposite, there is a silk company known as Roessel, Louis, and Company, Limited. It manufactures broad silks and has about 1,800 spindles and 100 looms for the manufacture of this special silk cloth.

There is at St. Hyacinthe the Consolidated Silk Mills, Limited. St. Hyacinthe is a manufacturing town of some considerable importance. It has a population, however, under 12,000 people. The Consolidated Silk Mills,

Limited, manufactures at St. Hyacinthe broad silks, and they have, I understand, about fifty looms in operation although the company was only recently established. In Actonvale, in the constituency of Bagot there is now operating the Silk Mills of Canada, Limited. It manufactures broad silks, and I have here a list of the classes of broad silks which the company manufactures. They have one hundred looms engaged in these operations. At Cap de la Madeleine, in Champlain county, represented also by one of my hon. friends opposite, there is the Canadian T.S.R. of Lyons, Limited, which has one hundred broad silk looms in operation at the present time. In addition, there is the British American Silk Mills, Limited, of Montreal, which manufactures broad silks, with about forty looms in operation. Then there is at Louiseville, in Maskinonge county, in the constituency of Berthier-Maskinonge, represented by my hon. friend opposite, Mr. Gervais, the Associated Textiles of Canada, Limited, which has one hundred looms in operation.

I looked into the returns from the province of Ontario as well, and I found that at Brantford in the county of Brant, Ontario, there was the Dover Silks, Limited, operating forty looms; the Niagara Silks, Limited, also operating at Brantford, with seventy-six broad silk looms and five hundred and forty silk spindles, and so on. At Brantford also Slingsby Silks, Limited, manufacture broad silks. At Galt, in Waterloo county, Ontario, Newlands and Company, Limited, manufacture broad silks, having twenty-four broad silk looms and seven thousand spindles in operation. Also at Galt there is the firm of Stauffer-Dobbie, Limited, which has twenty-five broad silk looms. There is also at Galt the Riverside Silk Mills, manufacturing broad silks; I have not the specifications with regard to their plant installations. At Port Dover, in the constituency of Norfolk-Elgin, there is the Dover Silks, Limited, which was established in 1928, and has at present in operation twenty-four looms. At St. Catharines, in the constituency represented by my hon. friend the member for Lincoln there is Grout's, Limited, which also manufactures broad silks and is reported by the trade to be one of the largest and most efficient mills in the province of Ontario if not in Canada. At Toronto, I find the E. and J. Silk Company, Limited, which first began operations in 1923 manufacturing broad silks, and which has at present in operation some forty-two broad silk looms and thirty ribbon looms. Then there is the Otto Jaegge and Sons, Limited, at Toronto, also manufacturing broad silks. So this is an industry of very considerable importance to a number of towns in the provinces of Quebec and Ontario.

My hon. friend the Minister of Finance was somewhat mistaken, I think the other night with regard to the circumstances under which the present dumping duty against Japan was first levied. I suggested at the time that he was splitting hairs in the discussion, and as he left it to the committee to decide who was splitting hairs I wish to draw particular attention to the law governing the case. Under the customs tariff, chapter 44 of the revised statutes of Canada, 1927, section 6 was enacted with respect to the special or dumping duty. This clause was enacted so far as I can ascertain in 1907, where it appeared in the statutes of 1907, chapter 11, as section 6. I quote:

> In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special or dumping duty shall be levied, collected and paid on such article, although it is not otherwise dutiable.

Then follow some few lines which do not apply to the present case, and then comes subsection 2, which is all-important. I quote:

> 6 (2). Excise duties shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British preferential tariff.

There was there a clear enactment, I suggest, to the effect that a special exemption would be made in favour of exports from those countries which come under the British preferential tariff; but there was a clear and emphatic provision in the statute to the effect that, excepting those exports which come from countries entitled to the British preferential tariff, the foreign excise duties should not be disregarded. Now the amendment proposed by the Minister of Finance to that section which I have just read simply retains the express words of the section as it previously existed and adds the words "or intermediate tariff or any more favourable tariff." So that the clear intention of this amendment is to exempt not only the countries which are entitled to the British preferential tariff, but those other countries which enjoy the intermediate or any more favourable tariff. My hon. friend is proposing now a specific enactment which will have this dual effect. First, it will take from the

British exporters of silk goods a certain preference which they now have over foreign countries in the markets of Canada; that is, it will limit the British preference. In the second place, it gives to the manufacturers of Japan and other foreign countries, which do not come under the British preferential tariff, a much more favourable entry for their exports of silk into the Canadian markets, where they come into competition with the products of our own mills.

My hon. friend made an elaborate comparison between the imports into Canada from Japan for the years 1928 and 1929, and from his statement he seemed to be under an entire misapprehension as to when this provision came into effect with respect to Japanese exports. For instance, the present Japanese trade arrangements with Canada came into force in 1913. At the time Japan was well aware of the existence of the tariff act of 1907, the terms of which have continued to be in force down to May 1st this year, when the budget was announced. Japan, I am instructed, some time after the great earthquake first imposed an excise tax upon silk products.

Mr. DUNNING: Does my hon. friend know the year?

Mr. CAHAN: I said it was after the great earthquake that some special taxes were brought into force in Japan. That earthquake happened in the summer of 1923, but as a matter of fact the dumping duty was not brought into effect as against Japan for several years after the earthquake. The exact date that the excise duty was imposed in Japan I do not know and I have not been able to ascertain. But according to file No. 145080, by circular of May 6, 1929, purchasers' bulletin No. 3569, purchasers of Japanese silk goods in Canada were notified that:

> According to Japanese government authorities there is levied in Japan a consumption tax of 10 per cent of the value of the textiles of domestic manufacture as sold to purchasers for home consumption.

That was the first notice, I am instructed, that the trade had of the bringing into force of this extra duty against Japanese silk. This circular was issued on May 6, 1929. Therefore the excise tax could not have been considered by the department of customs prior to that date in imposing the extra dumpage tax on importations of silk fabrics.

Mr. DUNNING: I am afraid my hon friend is wrong, because the old regulation under which the department of customs had been operating from 1919 onwards was cancelled on June 28, 1928, effective August 1, 1928.

Mr. CAHAN: Quite so. Nevertheless I am instructed by those dealers that although the department issued on June 28, 1928, a circular providing that the dumping clause should not apply to goods purchased before that date and imported before August, 1928, it apparently was not brought to the notice of the department that a consumption tax had been imposed in Japan, and I am instructed that as a matter of fact the department did not take notice of the imposition of that consumption tax before it issued its circular to the trade of May 6, 1929. Furthermore, that is borne out to a large extent by the returns showing imports into this country of raw silks since that date, because the importations of raw silks have largely increased; and on the other hand the importations of silk fabrics from Japan have very considerably decreased in the months since May 6, 1929. So that if the date, as I am instructed it is, is correct, it applies only to the trade returns after May 6, 1929, and therefore it applies only to the eleven months of the fiscal year 1929-30.

Now, my hon. friend made some criticism of the manufacture of silks in Canada. I quote from page 2171 of the Hansard of Friday, May 16:

> Mr. Dunning: To close the discussion, may I say to my hon. friend that they must have known what the Canadian tariff was when they established their factory at St. Catharines.

He is dealing there with the establishment of the silk factory at St. Catharines in the county of Lincoln to which I referred.

Mr. DUNNING: That is no criticism.

Mr. CAHAN: We will not split hairs over words of that kind, if you please. It was a suggestion, then, that when they started their factory away back in 1923, or whatever the year was, they should have called the attention of the department to the fact that a change was needed by them, if such a change would be in their interest. But I quote:

> —they knew perfectly well at the time they established their business that what has since happened in respect to the application of the dumping duty was not then in operation. It was merely a legal quirk, a legal twist, which brought it into operation. This parliament made no change.
>
> Mr. Cahan: The government did, by order in council.
>
> Mr. Dunning: Legally it was discovered that the dump did apply and that the imposition of excise duties in any country automatically rendered the goods exported to this country liable to the dump. This was not an action by this parliament, and I wish to draw a clear distinction there.

I suggest that the hon. minister was splitting hairs, because when, in 1907, the parliament of Canada deliberately enacted section 6, paragraph 2, in the form in which it appears at

the present time, it deliberately declared that the paragraph was operative except in respect of those countries entitled to the British preferential tariff. Excise taxes and duties would be regarded in estimating the market value, and when parliament had declared its deliberate intention to that effect the promoters of these factories, the companies which initiated this new and flourishing business in Canada, knew, from the statutes of Canada, that parliament had deliberately declared that if the Japanese government should impose thereafter a consumption tax it would be taken into consideration in estimating the dumping duty against Japanese products entering the Canadian market.

On the other hand, in 1913 when the Japanese government made its new trade arrangement with Canada, which was in the same year, incorporated into an act of this parliament, the Japanese government knew full well that if they imposed a consumption tax in Japan, such tax would correspondingly raise the minimum of duty imposed in Canada on importations of silk fabrics from Japan into Canada. There is therefore no ground under the Japanese trade arrangements for making this change in favour of the Japanese factories. It seems to me that in making the change proposed in the budget of May 1 there is an attempt to take away the preference in the Canadian market held by the factories of Great Britain over the factories of Japan. When I asked the hon. gentleman on whose initiative these changes were made which place the Canadian silk factories in jeopardy I was informed that certain importers had asked for the changes, and the names of Eaton's and Simpson's were mentioned. In Hansard at page 2156 I find the following:

> Mr. Dunning: If my hon. friend will permit me, the largest importers in the country made representations, people like Eaton's and Simpson's.

I am glad to learn from the answer of the minister that His Excellency the Minister Plenipotentiary from Canada to Japan, Hon. H. M. Marler, did not initiate a change which is likely to prove so disastrous to many of the industries now established in his own province. This request is made by the importers I have mentioned, however. In the course of trade importers such as those mentioned can buy job lots of silk fabrics from Japan—

Mr. DUNNING: In fairness to the firms mentioned I should make a correction. I was in error when I mentioned Simpson's, and in fairness to the other people I should say that there were no representations as to silk. Their representations were general in character and applied to all countries.

Mr. CAHAN: I have no doubt their statement would be general because in the ordinary course of their business where they can buy in a slaughter market abroad and bring in fabrics to sell cheaply in this market in which the standard price in this country is established by the cost price of production, they can make much larger profits as jobbers and distributors than it would be possible for them to make if they bought Canadian goods supplied to all the dealers throughout the country. It is a very serious question, however, when this government through its Minister of Finance declares that jobbers of that class are to be preferred over manufacturers established in this country—

Mr. DUNNING: I said no such thing.

Mr. CAHAN: —who are supplying the same class of goods.

Mr. DUNNING: I said no such thing.

Mr. CAHAN: There is no other inference which could be drawn reasonably and equitably in view of the statement on Friday last of the hon. gentleman. The proposed amendment to subsection 2, section 6, chapter 44 of the revised statutes, the Customs Tariff Act, so far as silk importations are concerned, applies chiefly to silk products from Japan which enter under items 560 and 560a. Item 560 is as follows:

> Woven fabrics, wholly or in chief part by weight of silk in the gum, not degummed or bleached, not less than 20 inches in width, imported for the purpose of being degummed, dyed and finished in Canada.

Item 560a is:

> Woven fabrics, wholly of silk, exceeding 26 inches in width.

Under these two items the larger quantities are imported from Japan into Canada. I find, however, that there are importations under section 560b and 560c. I have before me a comparison showing the results upon the importations of silk fabrics into Canada from Japan, comparing the five months from November, 1928, to March, 1929, and the five months from November, 1929, to March, 1930. These figures show that under the dumping duty as then applied the yardage from Japan was very largely decreased. Comparing November, 1928, with November, 1929, there was a decrease from 410,825 yards to 148,024 yards.

Mr. CHAPLIN: That is under item 560.

Mr. CAHAN: Yes, item 560 only. Making a similar comparison under item 560, the importation of 412,743 yards in December, 1928,

decreased to 245,240 yards in 1929. Under the same item 560, comparing January, 1929, with January, 1930, there was a reduction in imports from 640,487 yards to 305,662 yards. Comparing February, 1929, with February, 1930, there was a reduction of imports from Japan under this one item from 508,720 yards to 312,719 yards, and comparing March, 1929 with March, 1930, there was still a reduction, though not so great, from 555,338 yards to 409,430 yards. Comparing the five months of one term with the five months of the other to which I have referred, there was a reduction in our imports from Japan under item 560 from 2,528,113 yards to 1,421,075 yards, showing that the Canadian factories were able to utilize and supply the Canadian market.

Now let us consider item 560a, and make the same comparison for the same months. In November, 1928, there was an importation from Japan of 352,312 yards which in November of 1929 was reduced to 88,228 yards; in December, 1928, there was an importation under this item of 416,110 yards, which in December, 1929, was reduced to 210,449 yards.

The ACTING CHAIRMAN (Sir Eugène Fiset): The hon. gentleman's time has expired.

Mr. CAHAN: My friend the Minister of Finance may take notice that he can enforce the rules, but we are going to discuss this item thoroughly.

Mr. DUNNING: My friend is very unfair; the Minister of Finance never said a word about the rules. The Chairman called attention to the fact that my hon. friend's time had expired.

Mr. CAHAN: I think my hon. friend directed the attention of the Chairman to the fact.

Mr. CANNON: My hon. friend only has to sit down and then get up again; we are in committee.

Mr. CAHAN: That should be quite unnecessary, but I will get up again later.

Mr. CHAPLIN: Mr. Chairman, the other day when the minister was discussing the trade of Japan, he evidently overlooked the fact that under this very item there came from the United States to Canada something over $4,000,000 worth of raw silk.

Mr. DUNNING: In what year?

Mr. CHAPLIN: The imports of silk and its products shown in the trade returns as coming from Japan do not give a true picture of the total Canadian consumption of Japanese silk, since a large amount of Japanese raw silk is imported through the United States and appears in our trade returns not as an importation from Japan but as an importation from the United States. In this item is included, during the fiscal year ending March 31, 1929, raw silk to the value of $4,528,205 which, when added to the imports of silk and its products received directly from Japan for the same period, brings the total up to $12,673,000. That is just in one article, raw silk and its products.

Mr. DUNNING: My hon. friend is sure that silk came from Japan?

Mr. CHAPLIN: No, but since 85 per cent of all the natural silk in the world comes from Japan it is quite natural and reasonable to suppose that the great bulk of this silk came from that country. That is the position I take in respect to that matter.

In respect to the importations under item 560, which refers to woven fabrics, which were just placed in Hansard by my hon. friend who spoke before me, I want to fill out the importations under item 560 in the yardage from Japan during the five months term of November to March. The other day, when I was discussing the matter, the minister said the two years were so much alike that he could not see where the manufacturers of Canada were being injured. I pointed out to him that within two months from the time this order went into effect with respect to this dumping law the trade with Japan was affected.

Mr. DUNNING: What two months? I hope my hon. friend will not be offended because I have asked him this question; my reason for asking it is because his colleague from St. Lawrence-St. George mentioned what I had not previously known, if it turns out to be correct, that the silk trade was not aware of the rescission of the order of August 1, 1928, until the following May.

Mr. CHAPLIN: It did not come into effect until August 15.

Mr. DUNNING: August 1, 1928.

Mr. CAHAN: No, it did not come into effect until May of 1929, in actual practice, or at least I am so informed by those who are in the trade and should know. They have shown me the circulars they received from the department.

Mr. DUNNING: The actual date of the coming into force of the order was August 1, 1928, and apparently my hon. friend from Lincoln is going on the same information I have.

Mr. CHAPLIN: I understand that the order was to come into effect on August 1, and consequently—

Mr. CAHAN: But it was not applied to the trade in silks until May, 1929.

Mr. DUNNING: If that is the case, how could it affect the trade?

Mr. CAHAN: Well, it did not come into effect until then.

Mr. CHAPLIN: I am afraid I am going to prove that it did have some effect. At any rate, Mr. Chairman, as I understand it from the manager of the mill from which I get my information, the order did not come into effect until August.

Mr. DUNNING: August of 1928?

Mr. CHAPLIN: Yes. He naturally assumed that it would be some time before any change would begin to show. Orders were on the way; no doubt some were on the water, and consequently he takes his figures, as far as his returns are concerned in order to prove his case, from November of 1928, and I am placing on Hansard now in respect to item 560, the customs returns showing the importations from Japan. For November of 1928, the returns show 410,825 yards imported, as against 148,024 yards imported in November of 1929.

Mr. DUNNING: I have the figures in dollars.

Mr. CHAPLIN: I have them as well in dollars. The value in dollars for that month is $231,537 as against $101,307. For December, 1928, the yardage is 412,743 as against 245,240 for 1928. The dollar value for 1928 is $225,408 as against $130,518 for 1929.

Mr. DUNNING: There seems to be some difference in our figures.

Mr. CHAPLIN: This covers item 560, woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or bleached.

Mr. DUNNING: There must be something wrong with my hon. friend's figures, as the figures given to me by the customs department do not correspond with his.

Mr. CHAPLIN: The statistical department gave me some figures over the telephone which corresponded with those I read the other day.

Mr. DUNNING: I have the figures for 1930 as well.

Mr. CHAPLIN: I have the figures down to March, 1930.

Mr. DUNNING: What figures has my hon. friend for March, 1930, so that we may check up?

[Mr. Dunning.]

Mr. CHAPLIN: The figure for Japan for March, 1929, is $298,318 and for 1930, $213,619.

Mr. DUNNING: Our figures seem to be completely out; my figures for March, 1929, are $362,000 and March, 1930, $283,000 giving the round figures. That is for woven silk cloth in the gum.

Mr. CHAPLIN: Item 560a, which is woven fabrics wholly of silk, exceeding twenty-six inches in width—

Mr. DUNNING: That is not in the gum, that is woven silk fabrics?

Mr. CHAPLIN: Yes, but exceeding twenty-six inches in width. The figures for that item for November, 1928 are 352,311 yards as against 88,000 yards for 1929. The value is $120,982 for 1928, as against $29,590 for 1929. Has the minister those figures?

Mr. DUNNING: I have not those comparative figures.

Mr. CHAPLIN: I will put them on record, as I understand they came from the department. They are as follows:

| | Yardage | Value |
|---|---|---|
| December, 1928. . . | 416,110 | $133,794 |
| December, 1929. . . | 210,449 | 66,468 |
| January, 1929. . . . | 743,413 | 236,463 |
| January, 1930. . . . | 539,794 | 157,492 |
| February, 1929. . . . | 652,931 | 209,383 |
| February, 1930. . . . | 395,024 | 110,303 |
| March, 1929. . . . . | 1,101,256 | 353,854 |
| March, 1930. . . . . | 588,292 | 164,597 |

The totals for the five months period of 1928-29 as compared with the same period in 1929-30, are as follows:

| | Yardage | Value |
|---|---|---|
| 1928-29.. .. .. .. .. | 3,266,021 | $1,054,476 |
| 1929-30.. .. .. .. .. | 1,821,787 | 528,450 |

These figures show a very considerable reduction in both yardage and value, applying not only to item 560 but to item 560a.

I would like to supplement my remarks of the other day with respect to wages. I have in my hand a comparative wage scale prepared by the United States tariff commission which gives the rate of wages for the United States, Switzerland, Germany, France, Italy, China and Japan. The highest wages paid in silk manufacture are those paid in the United States. The weekly wage paid to weavers in the different countries is as follows:

| | Weekly wage |
|---|---|
| United States.. .. .. .. .. .. | $34 27 |
| Switzerland.. .. .. .. .. .. .. | 10 18 |
| France.. .. .. .. .. .. .. .. .. | 6 31 |
| Japan.. .. .. .. .. .. .. .. .. | 2 54 |

Apparently they are in need of the unionization of labour in Japan in order to increase their rates of wages.

Mr. DUNNING: Was that last figure for France?

Mr. CHAPLIN: No, for Japan. That rate of wage seems to be astounding, but there is a note with reference to that wage to the effect that some allowance is made for meals. While I was at home I received a statement from the manager of the factory at St. Catharines to the effect that weavers are paid an average of $29 per week.

Mr. YOUNG (Weyburn): Could the hon. member give us the figures as to the wage cost in the production of silks; I mean, how much of the total wages goes into the making of a yard of silk? I would like to have that figure for the United States as well as the other countries.

Mr. CHAPLIN: If you figure all the labour cost in Japan in producing a yard of silk, it will not amount to very much. If you take $2.54 a week and allow another 50 per cent on top of that for the food that may be given, it will mean around $4. That, however, is two and one-half times less than they are paying in Switzerland, and the rate in Switzerland is one-third of what they are paying in the United States and Canada.

Mr. YOUNG (Weyburn): The hon. member cannot give us the relative figures?

Mr. CHAPLIN: No. I have a great deal of information. I would be very glad to get it for my hon. friend, because he is anxious at times for information. I have taken considerable trouble to secure the statistics I have, but unfortunately I cannot manufacture information. Wages of female weavers amount to $16 to $19 per week, the average, so I am told, in this particular factory being $17.70. There are in the mills mechanics who look after these big weaving machines and who earn a higher wage than I have mentioned, but there are not many of them and $37.50 per week given as their scale of wages. It seems to me ridiculous and next door to brutal to cause a factory of this kind, one of the most efficient looking factories that a person ever saw, employing highclass people and paying a high standard of wages, to run the risk of being put out of business because we allow the product of labour at $2.50 to $4 to enter into competition.

Mr. WARD: How many employees are there in that factory?

Mr. CHAPLIN: There are 200 looms in the one plant. I do not know what that means. I suppose it means around 200 employees. Besides that, there is in the city a dyeing plant that employs sixty people. The dyeing of this product is done, not in the plant itself, but outside in a silk weaving mill. We should hesitate about strafing another industry. There are in my locality mills of other types that are not running half time. This is a plant which has been established within the last five or six years; it did not get going until 1924 or 1925, and now in 1930 we begin to take its protection away from it. What does a 22½ per cent tariff figure against labour at the rate of even $4 or $5 a week? It looks like giving something for nothing. Even if you had double the duty you could hardly take care of a situation of that kind.

Mr. CAHAN: I will simply complete the yardage which I was giving. I followed the figures given by the hon. member for Lincoln and they are consistent with the change having been made at the date at which I say it came into effect, because his comparisons are made between five months of an anterior date and five months of a subsequent date. But taking those five months from the figures which the hon. member for Lincoln has given, and taking items 560, 560a, 560b and 560c, in the first period of five months, before the dumpage came into effect there was an importation from Japan of 5,982,044 yards. That was reduced in the latter five months' term under the dumpage to 3,348,789 yards, or a reduction of 2,633,255 yards, comparing the five-month term prior to the dumpage with the five-month term subsequent to the dumpage. That difference in yardage was supplied by Canadian factories, giving employment to a very considerable number of people.

Furthermore, I am instructed that the importations which were made from Japan by jobbers and sold in the Canadian market, were sold at only very slightly under the Canadian cost; that the profit was made by the jobbers and distributors and that the Canadian consumer, so-called, received no advantage whatever by reason of those large importations from Japan. In fact, I am advised by experts that the factories in Canada are as well equipped and as efficiently managed as any similar factory now existing in the United States, and that the product of the Canadian silk mills is never sold in Canada at as high a price as prevails in the United States markets for the product of their own mills. This is due to the very slightly decreased cost of labour in Canada as compared with that in some of the mills in northern United States. I am also instructed that the Canadian mills are far more efficiently managed than the Japanese mills, because this is a recent production in Japan, and that Japan is no better equipped for it

by installations of machinery than we in Quebec are equipped for the manufacture of the same class of fabrics. The sole advantage Japan has is in her low labour cost and I submit again that there should be for the Canadian factory a compensating duty to cover the difference between the wage rate that prevails in any foreign country and that which exists in Canada, that is, a wage rate comparison based on equal hours of labour. It is absurd to suggest that our provincial governments shall introduce and enact legislation controlling hours of labour, precluding the employment of women at night, precluding the employment of children at any time, and then have the parliament of Canada dictate that those factories, where those humane conditions prevail shall be compelled to sell their manufactured products in their own markets in competition with the slaughtering in our markets of the surplus of those foreign countries where such low standards of living exist. That is the gist of the issue which is before this house. Furthermore, I am not entering upon a general discussion, but time and again I have impressed upon this house the absolute necessity of encouraging the establishment of small industries in our country towns and villages. The future welfare of this country to a large extent depends upon encouraging such manufacture in our smaller towns and villages in order to give employment there to a class who, to secure employment otherwise, are compelled to go to the United States and enter the factory life of that country. There is no reason in the world why the commodities covered by some hundreds at least of items in this customs tariff should not be manufactured in Canada, in Canadian factories established in the towns and villages from one end of this country to the other. At the present time, according to estimates of the United States census, there are at least 1,500,000 people Canadian-born living in the United States and engaged in industry and trade in the United States. That result is due to the fact that, according to the statements for the last calendar year, we are importing nearly $1,000,000,000 worth in round numbers of the commodities produced by the United States for consumption in this country. The United States to-day, despite the tariff that we have, dominates and controls Canadian industry by reason of the fact that we are not protected against their production. The reaction to that fact is that we have 1,500,000 people born in Canada who are to-day engaged in industry and trade in the United States, obtaining employment there by producing in that country goods and commodities which are imported into Canada for consumption. It is a large issue. It is the most important issue that can come before this house and before this country, and therefore I think that we are justified in emphasizing the importance of this silk manufacture in Canada which has developed in recent years, and which does give employment in the province of Quebec at the present time to 1,400 people engaged on the looms alone, outside of the dyeing and outside of the operating of the engines and other accessory equipment. It is an industry which has brought encouragement and happiness to many people in many of the smaller towns, and they regard with very great apprehension the change proposed in the tariff at the present time.

Mr. EULER: I am not sure that I can add anything of interest to what has been said. My hon. friends opposite, quite properly from their point of view, have debated this question from the standpoint of protection to silk manufacturing in Canada, and they have cited examples of low wages and that kind of thing which gives the Japanese and other foreigners a great advantage over the Canadian manufacturer who is paying higher wages. I am entirely in agreement, and I have said so before in this house, with those on the other side or on this side who think that the low cost of production in foreign countries might very well be taken into consideration when we fix our own tariff. I still think that.

In connection with this excise duty on silk, I am not sure whether the committee has all the facts. They are very simple. In Japan, on the sale of silk at home, at 10 per cent excise tax is added. That adds to the home consumption value. If the silk is sold for $1, for instance, with the tax it would sell for $1.10. That would be the price that would have to be taken into consideration when it is imported into Canada, and it might involve the dump. When the goods are sold to Canada or any other country outside of Japan that excise tax is not paid. But so far as the purpose of establishing the dump is concerned, you must take the value at which the goods are sold in Japan, the country of origin.

Mr. CHAPLIN: That is the fair market value.

Mr. EULER: That would be the fair market value in Japan. Perhaps my hon. friends would also agree with me in this, that when we come to the establishing of a dump, this factor should be borne in mind, namely, the cost of production in the country of origin, plus a reasonable profit. If they are selling below the home market price, of course a dump is established. But the benefit to the

manufacturer or exporter in the country of origin should be taken into consideration. As a matter of fact, in regard to this excise tax, when the manufacturer exports to Canada or when he sells those goods at home, he gets absolutely no benefit as such from the application of the excise tax, because that goes to the Japanese government.

The point I got up to make is this, and it has been made before by the Minister of Finance. Our friends opposite have argued this question from the point of view of protection. They may be quite right in that; but if it is a matter of protecting the Canadian manufacturer of silk, it does seem to me that this is not the proper method of doing it. This excise tax which involves the application of the dump, and which may serve as additional protection for the Canadian manufacturer, might disappear to-morrow by the action of the Japanese government, over which we have no control whatever—a circumstance which my hon. friends will admit does not provide a very safe way of protecting any industry, if we want to talk protection. For instance, the Japanese government might put on an excise tax of 50 per cent to-morrow or the next day, or it might wipe out the excise tax altogether. The point I make is this, that it is an entirely fortuitous circumstance which essentially has nothing to do with the matter of tariffs or protection. If my hon. friends argue that because of lower costs in Japan, because labour is cheaper, there should be a higher protection or safeguarding, as my hon. friends might say, of the Canadian silk industry, I should think that is a proper subject of consideration for a higher tariff. But this matter of excise tax is entirely outside our control and should not be regarded as a safe factor in the matter of providing protection, if you wish to call it such, for the Canadian manufacturer. That would be my argument. It does seem to me that it should not enter into the question so far as the dump is concerned. My hon. friends should not forget that the adding of an excise tax to the home price does not preclude our charging customs tax on the value, including the excise tax in the country of origin. It involves only the question of the dump.

Something was suggested about the cost of labour in Japan. I have no doubt that that cost is a great deal lower in Japan than in this country. But I am also told, and I think it is pertinent to the discussion, that whereas there is now the 22½ per cent tariff against Japanese silk, the cost of the labour that enters into the manufacture of silk in Canadian mills is only something like 26 per cent. So the disparity is not as great perhaps as my hon. friends thought. But if it is a matter of providing greater protection, if you like, to the Canadian manufacturer, this does not seem to me the proper method of doing it, because it cannot be depended upon. It may be wiped out at a moment's notice by the Japanese government. I suppose my hon. friend is ready with the words—

Mr. CHAPLIN: Perhaps you will say them for me.

Mr. EULER: No. I know what my hon. friend is thinking of—countervailing duties. These have no application for the simple reason—I am getting away from the subject, Mr. Chairman, because I am getting at what is in my hon. friend's mind—that after all, we have a fixed tariff below which our tariff will not go. Therefore this case is not at all parallel with the other. I have no objection to arguing as to the possible necessity of doing something more for the Canadian manufacturers of silk fabrics, but in that case I think the proper course to take is to raise the tariff, if you like, and that should be done only after the whole matter has been considered by the tariff board.

Mr. CAHAN: Is it not a fact that in 1907—I am not certain of the year, but at any rate it was when the Hon. W. S. Fielding was finance minister—this principle was introduced by him and established after a thorough discussion by parliament, that is, as to how the fact of dumping should be ascertained and when the clause should be applied. Why abrogate that principle now without giving some notice? If in the same tariff you had provided for an increase in these tariff items, 560, 560a, 560b and 560c, so as to give a corresponding increase in the regular duty, then there might have been some ground for the argument that the dumpage duty should be wiped out. But my hon. friend is suggesting that we should destroy some six factories in the province of Quebec and seven or eight in the province of Ontario by this change, place their working people on the streets, and then after they are down and out we should come in and ask for increased duties on these particular items. That is a perfectly ridiculous contention it seems to me. Why not allow the principle, which the late Hon. W. S. Fielding, established, with the support of the Liberal party in this house with regard to dumpage, to prevail, until you make some corresponding compensation to these people whose protection you are wiping out to a very considerable extent?

Mr. EULER: Mr. Chairman, I do not wish to continue the debate, but I should like to make one observation. I would be very sorry if what my hon. friend appears to fear should happen, that is, the destruction of certain silk factories in this country. But does not my hon. friend know that under a government which, I think, he supported a regulation was passed—not an order in council—exempting these excise taxes from being taken into consideration for the purpose of establishing the dump.

Mr. CAHAN: When was that?

Mr. EULER: In 1919.

Mr. CAHAN: That was before a single silk factory of this class was established in Canada.

Mr. EULER: But my hon. friend will admit that that action was absolutely illegal.

Mr. CAHAN: It certainly was illegal under the statute.

Mr. EULER: No Minister of Customs or of National Revenue has any power by regulation to avoid the law which is definitely laid down there. That is why it was restored in 1928.

Mr. CAHAN: I do not see the force of my hon. friend asking me if I was in favour of an illegal procedure which I knew nothing about. But if it was illegal, why not adhere to the act which the Liberal party passed, and which was in force until May 1?

Mr. EULER: My point is that if I find something done illegally I will try to make it legal, and then if it is wrong, I will try to make it right by legal means.

Mr. CAHAN: That would be splitting hairs with greater precision than the Minister of Finance (Mr. Dunning) is capable of—

Mr. EULER: No.

Mr. CAHAN: —because under section 6 of this act the imposition of the dumping duty is legal, is it not?

Mr. EULER: Quite so; but it was illegally withheld from 1918.

Mr. CAHAN: I am not going back to 1918 when I was not a member of this house. I do not hold myself responsible for all the peccadilloes of the Liberal party, the Conservative party, the Unionist party or any other party. I say this dumpage is legal under chapter 44, section 6, of the revised statutes of 1927. It has been regarded as legal during the past two years. It was never enforced against Japan because it was not brought to the notice of the customs department prior to a certain date, which I trust will be fixed by a specific announcement from the minister. But prior to a certain date it was not brought into force against Japan's exports of silk to this country because it was not known here, or if it was known it was overlooked by the customs department, that the 10 per cent consumption tax had been imposed by Japan. Therefore do not ask me to support this proposal because of some illegality which prevailed under an administration years ago. Let us deal with the conditions as they prevail to-day. Up to the first of May legally the tax was in effect in this country. Under that condition our silk factories were able to supply to a large extent the home market, they had gained the upper hand in dealing with Japanese competition. Now you are wiping out 10 per cent of their tariff protection, and you are not giving them any corresponding increase in the regular duties. If the dumpage is to be wiped out, at the same time a corresponding tariff increase should be given. That is my contention.

Mr. EULER: Is it not true that these silk factories were almost all established at the time when they had not this additional 10 per cent protection on account of the excise tax?

Mr. CAHAN: They were established at that time, but Japan was not sending into this country these classes of fabrics, because the development of their manufacture in Japan is a very recent development, a development whereby Japan is brought into competition with the equally recent development of the silk industry in this country.

Mr. EULER: I agree with my hon. friend that it might be necessary to do something more, but my submission is that what is proposed is not the proper way in which to do it. I think my hon. friend will agree with me if he thinks logically—as he always does—that the proper method, if something should be done, is by a change in the tariff itself.

Mr. CAHAN: I advocated in the house last Thursday or Friday evening that the more logical way would be to increase the duty on these specific items; but on the other hand we have been dealing with it under the statute which I have quoted, which was passed in 1907 under the Laurier administration, when the late Hon. W. S. Fielding was Minister of Finance. That statute is clear and specific

in its terms, and every Canadian manufacturer of silk when he entered upon this new enterprise was aware that the statute then prevailing would in certain exigencies and under certain conditions give him protection in the Canadian market to that extent.

Mr. EULER: But which might disappear at any moment at the behest of a foreign nation—something over which we had no control at all.

Mr. CAHAN: Quite so. In view of certain provisions in this tariff, my hon. friend should not mention tariffs which come into force at the behest of a foreign nation. It is a provision however which should be considered in dealing with the quantity of protection which should be received by Canadian factories. The fact is that, in this country, we have a tax upon productive energy amounting to nearly 25 per cent of the entire output of the productive activities of Canada, and that tax goes into the municipal, provincial and federal treasuries. We have a business tax upon corporate enterprises, and this tax enters into the cost of commodities. Every tax imposed by this government in the way of direct taxation enters into and increases the cost of production. So that in Japan when they impose a consumption tax it enters no more directly into the real cost or prevailing market price to the consumer in Japan than does the imposition of business, sales and other taxes which are imposed as additional burdens upon our people. Therefore, so long as that statute remains in its present form and so long as the customs tariffs on the articles contained in items 560a, 560b, 560c and 560d remain as they are, I protest against the amendment here suggested.

Mr. EULER: Surely my hon. friend knows that so long as the law remains in its present form it will have to be carried out in the same manner as we have been carrying it out since 1928. The Minister of Finance proposes to change the law because he believes that the principle is unsound.

Mr. CAHAN: I protest against the change of the law.

Mr. EULER: Oh, that is your reason.

Mr. CAHAN: I assumed that my hon. friend understood that I was protesting against the change in the law.

Mr. CHAPLIN: We have a peculiar situation before us; we have a minister of the crown changing an excise law, and we have another minister saying it is wrong in principle, but if the hon. gentleman wishes to save the manufacturers who are leaning to a certain extent upon that excise law the tariff should be increased.

Mr. DUNNING: There is no excise law affected.

Mr. CHAPLIN: The minister knows that it is a change of the excise.

Mr. DUNNING: No, I do not know that at all. It is an amendment to the Customs Tariff Act and it has nothing to do with Canadian excise.

Mr. CHAPLIN: This is just another case of splitting hairs.

Mr. DUNNING: No, it is a case of fact.

Mr. CHAPLIN: It is strange that certain things are found to be wrong in principle at a certain time when such principles have been maintained in this house for twenty years. In the words of the Prime Minister, they are vicious principles. The minister adopts the principle and hangs on to it as long as he can, but when it begins to burn his fingers he calls it a wrong principle. The fact that this trade was receiving a certain amount of protection, and in order to cut off that protection it is discovered that the principle is wrong. Then the other minister comes along and states that the tariff should be raised if anything is to be obtained from it. Who has the running of the thing? These people knew nothing about this change, nor did they know how it was going to affect them. They were not invited to attend before the tariff board. How could they ask for a change in the tariff? I suppose the minister found out that no examination into the matter was made by the tariff board. The other minister knows very well that nothing can be done and that the reference will not be made to the tariff board. If this is a matter which should come before the tariff board, why not take the whole matter before that board? The matter we have in hand is of as much interest to those people as if it were in the tariff. It has been there for the best part of two years. The minister shakes his head, but I would remind him that it was August 15, 1928.

Mr. DUNNING: Your colleague stated that it was the following March.

Mr. CHAPLIN: I know my colleague stated that, but it is possible that he has not the facts as clearly as I have them. I ask the minister if he denies that it is two years; of course he will not. They have had the benefit of this tariff and it is now proposed

to take it away without notice to them at all and without any corresponding increase in the tariff. The other minister, the Minister of Customs, states that he is a protectionist and that the proper way to approach the matter is to go before the tariff board. The result will be that no relief will be given. Improper action is being taken; this matter has not been taken before the tariff board in respect of either the duty, the wages or anything else. As a matter of fact, this country knows nothing about the conditions existing in the trade, and it is my opinion that we have no right to make a change of this kind without having first made proper inquiry.

Mr. DUNNING: I do not wish to follow my hon. friend's acrimonious method of discussion—

Mr. CHAPLIN: It may be due to my unfortunate manner.

Mr. EULER: The hon. gentleman did not mean it that way.

Mr. CHAPLIN: I do not wish to be acrimonious at all. I am, however, trying to be forceful, I have too much at stake to assume that attitude.

Mr. DUNNING: I should again point out to the committee that my hon. friends' statements in regard to the existing law before the amendment are undoubtedly correct. On the other hand, it is also correct that notwithstanding the law in 1919 the government of the day issued a regulation stating that foreign excise taxes were not to be taken into account when arriving at the dump duty.

Mr. CHAPLIN: Was that done by order in council?

Mr. DUNNING: It was done by regulation of the department, authorized by order in council. From that day in 1919 until August 1, 1928, foreign excise taxes were not taken into account, in spite of the fact that the law said they should be. This government did not inaugurate that condition; it existed from 1919 to 1928. These silk factories came into existence during the period when the excise tax of foreign countries was not taken into account. My hon. friends will point out immediately that in the case of Japan the excise tax did not come into existence until 1922 or 1923. Still, five years elapsed before any action was taken to consider the foreign excise taxes in levying the dump duty. Then in August, 1928, in some manner it was discovered that the law in this respect was not being complied with; the regulation of 1919 was rescinded and the matter reverted to the condition in which it was prior to May 1, when this budget was brought down.

I am pleased to say that according to my information my hon. friends' apprehensions as to the ruination of the silk industry are entirely unfounded. My hon. friend from St. Lawrence-St. George and my hon. friend from Lincoln know that the figures which they quoted embrace the whole silk industry, and embrace far more than the portions of it which could possibly be affected by the various excise taxes in Japan being considered with respect to the dumping duty on entering this country.

Mr. CAHAN: That is not so with respect to the figures which I gave; they apply to the particular items which I gave in the tariff.

Mr. DUNNING: My hon. friend stated them very cleverly; he used the figures affecting the whole industry. He repeatedly referred to broadcloth looms, whether or not the broadcloth loom end of that mill was an important end of the mill business or a minor end and he included those amongst his figures for the whole industry. I do not blame him—

Mr. CAHAN: I gave the number of broad looms as far as I could do so, in order that the minister might see clearly the extent of the industry which would be affected, and which I say is imperiled by this change.

Mr. DUNNING: Yes, in his other figures my hon. friend included many figures which did relate to the whole industry, and which went beyond the broadcloth loom industry.

Mr. CAHAN: I defy the hon. gentleman, as a matter of privilege, to mention a single figure of the class he has mentioned.

Mr. DUNNING: I wonder if I could not have the floor, just as a matter of courtesy. My hon. friend spoke for over two hours on this matter.

Mr. CAHAN: Do not make erroneous assertions, then; stick to the facts.

Mr. DUNNING: As to the adequacy of the tariff rates actually in effect I am not in a position to say, further than to state that the tariff rates are the same to-day as they have been for a great number of years past; they are exactly the same as they were during that long period from 1919 to 1928, when this position which we are now trying to rectify did not exist. They are exactly in the same position they were in when the industry was first established; they are 22½ per cent under the intermediate tariff and 30 per cent under the general tariff. With respect to the ques-

tion of how wages affect the matter, my hon. friends have referred to the low wages of Japan and have given some information from the United States in order to show the wages paid in that country. I do not know how authentic that information may be; perhaps we might secure information more directly in regard to that matter rather than just take the evidence of some individual before the United States tariff commission.

However that may be, we have information as to the salaries and wages paid in Canada, and remember this is not wages alone but salaries and wages paid in the silk industry in Canada in 1929. These amounted to $3,820,000, and the total value of the product of the industry is given at $14,476,000, so that salaries and wages all told amounted to approximately 25 per cent of the total products sold. I have not figured it out exactly, but that is approximately correct. That being so I submit that my hon. friends have not a very good case when they represent that this industry is going to be ruined because of the return to-day to the exact position in relation to that tariff which they occupied up to August 1, 1928, as stated by my hon. friend from Lincoln, or March, 1929, as stated by my hon. friend from St. Lawrence-St. George. For the moment I do not care which date is correct, but I say that it is too much to ask us to believe that this industry is going to be ruined by being returned to the condition under which it was established and under which it operated during all the years from 1919 to 1928. It is too much to ask us to believe that it is going to be ruined, especially when its payroll, salaries and wages, amount to about 25 per cent or 26 per cent of the total value of the commodity. These people know perfectly well that if they think their tariff is not high enough and if they can demonstrate that fact publicly, they can apply for a reference to the tariff board, and I would be delighted to give them that reference. However, in my view that is no justification for maintaining a condition which is manifestly unsound in principle.

My hon. friends discussed this question as though silk were the only commodity which would be affected. As a matter of fact this matter affects the whole of Canada's tariff relationships with the world. No other country of which I have knowledge has a provision whereby a dumping duty is created because an exporting country has an excise tax upon a particular commodity. That condition does not exist anywhere else. My hon. friends confined their discussion entirely to silk, but we do not know what day an excise regulation in some other country may bring about a similar condition with respect to other commodities. Frankly, if I thought this change would have the effect of ruining the industry and throwing people out of work I would not propose it for a moment, but I have become so accustomed to hon. gentlemen opposite making that statement with respect to anything proposed that I require a little more evidence than their mere say-so before I am prepared to believe that ruin will result.

Mr. CHAPLIN: Evidently the minister intends to have a trial and see how far it can go in that direction.

Mr. DUNNING: No, that is not fair either.

Mr. LADNER: I desire to say a few words under this item, because there is involved in this discussion a principle of far-reaching effect upon the working people and the industries of Canada, particularly the working people. British Columbia is the third province in the Dominion in the value of manufactured products, and Vancouver ranks fourth among the cities. In 1927 the gross value of our manufactured products was $246,000,000, and to-day it could be properly estimated at about $280,000,000 or $290,000,000. In 1927 there were 47,740 employees with a payroll of $56,000,000; to-day on the basis of the statistics furnished by the Dominion government, probably there would be about 60,000. In 1927 there were 1,509 plants with a capital investment of $325,000,000.

A few days ago we had presented to parliament and passed a measure known as the Fair Wages and Eight Hour Day Act, 1930, the principles of which I heartily support. The words of one section of that bill are significant as embodying the need in this country for some protection to labour and the industry of Canada from the unfair competition of the oriental countries such as China and Japan. The section to which I refer is in these words and has reference to contracts with the government of Canada:

> All persons in the employ of the contractor, subcontractor, 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. . . . .

The point I wish to make in that regard, Mr. Chairman, is one which very vitally concerns the people of British Columbia and particularly the workers in the industrial life of that province. My hon. friend from Lincoln

produced an authoritative statement of comparative wages in connection with the silk manufacturing business in Canada, the United States and other countries; the statement shows that for the forty-eight hour week, male weavers in the silk industry in the United States received $34.27. In Canada they receive $29; in Japan they receive a wage of $2.54, which with food allowance, amounts to about $4 and in China male skilled workers receive $1.80 per week. What I desire to bring to the attention of the government is this: We in Canada, and particularly those interested in these matters in British Columbia, realize the need of a reasonable protective tariff which will protect not only industries but the labour that goes into our industrial life from the competition of those workers in the orient who receive such low wages. It is utterly useless to put low tariffs upon goods coming into this country; to make regulations and laws respecting fair wages and the eight hour day and at the same time allow products to come in from Japan and China where weekly wages of $4 and $1.80 respectively are paid as compared with $29 in Canada for the same class of work. I desire to place that principle before the house and bring it to the attention of the Minister of Finance. Reductions have been made in a great number of these items, which will unnecessarily and adversely affect the working people and industrial life of this country. My submission is that when the government entered the waters of protection, instead of putting one foot in they should have gone in and had a swim for the good economic health of Canada. Had they done that a great number of industries in Canada would have been beneficially affected and the working population of this country would have been much better off. However, that was not done and we in the west are faced with competition from countries where labour is so cheap and where the standards of living are not comparable with those obtaining in this country. The arguments presented by my hon. friends should receive the favourable commendation of the minister and consideration should be extended to the adverse effects and possibilities of competition from oriental countries. No policy is sound or statesmanlike which is not founded in the welfare and happiness of the masses of our people.

Mr. CHAPLIN: Will the minister tell us the American duty on broad silk in the gum?

Mr. DUNNING: I will look that up for my hon. friend.

Mr. KAISER: I understood the Minister of Finance to say that he is willing to submit this question to the tariff board, but I would like to know which end of that board he is going to select to consider this question. This board is composed of one or two defeated Liberal candidates, and about sixteen employees whose home address is given as Ottawa. That particular state of affairs does not require any particular explanation, but I notice there is one gentleman whose first name is Thomas—I wonder if he is named after me—and whose surname is King, whose home address is given as Washington, District of Columbia, United States of America. I do not know what that gentleman's duties are, unless they are to turn on the electric fan to waken up Mr. Deachman after he reads these budget proposals, but it would seem to me that a Canadian could be found to look after this work without having to go to Washington. There are plenty of men around here looking for positions, and perhaps the minister can tell us why this man from the United States happens to be employed by the tariff board.

Mr. DUNNING: He is a Canadian.

Mr. HOCKEN: How long has he been in the United States?

Mr. DUNNING: I cannot say that.

Mr. HOCKEN: He has been living there for about ten years.

Mr. DUNNING: He is there yet.

Mr. CANNON: He was in the press gallery two years ago.

Mr. DUNNING: I understand that he is the press correspondent in Washington for a number of Canadian papers; his whole connection is Canadian.

Mr. CHAPLIN: The American duty on similar material coming into that country from Japan is 55 per cent.

Mr. YOUNG (Weyburn): Do you want them to make our duties for us?

Mr. CHAPLIN: I thought that when I mentioned that the hon. member would jump immediately at it and say: That will be a good duty for us to use. That is what you have been doing in reference to other commodities, only in those cases you did not know what the duty was. I did not expect the hon. gentleman to bite so quickly, but he must remember that he voted for the budget. The Minister of Finance appears to be a little busy just now.

Mr. DUNNING: I cannot look up information for my hon. friend and listen to him at the same time.

Mr. CHAPLIN: I did not want to repeat myself; I wanted to speak to the minister himself and not to some of my hon. friends over there, as that would be useless.

Mr. EULER: The hon. member is not acrimonious?

Mr. CHAPLIN: I hope not.

Mr. DUNNING: I am ready to listen to my hon. friend now.

Mr. CHAPLIN: The Minister of Finance placed some weight upon the fact that the wages paid bore a very small relation to the cost, but the minister did not mention that we were dealing with an article higher in cost than any other article used, except the precious metals. We are dealing with an article which costs $2.25 per pound going into the United States.

Mr. DUNNING: My hon. friend appreciates that they obtain their raw material free.

Mr. CHAPLIN: I understand that, but I am speaking of the duty. They may have the raw material free, but they do not get it for nothing.

Mr. DUNNING: That is, free of duty.

Mr. CHAPLIN: I thought the hon. minister meant that they were getting it for nothing.

Mr. DUNNING: I am not quite so ignorant as that.

Mr. CHAPLIN: The minister claims that the relation of labour to the cost of the material is approximately only 25 per cent; what has that to do with it?

Mr. DUNNING: And salaries.

Mr. CHAPLIN: What has that to do with it? Suppose we were dealing with an article which cost considerably more than this, would that have any bearing on the case?

Mr. DUNNING: I think it would, yes.

Mr. CHAPLIN: In what respect? I would like the minister to explain that.

Mr. YOUNG (Weyburn): The duty is high enough to pay the wages; that ought to be clear enough.

Mr. CHAPLIN: Wages are paid for the amount of work done, and not on the value of the original article. The wages paid enhance the value.

Mr. DUNNING: My hon. friend says that labour enhances the value of the article, while I claim that labour enhances not only the value but the cost of the article.

Mr. CHAPLIN: The value is the cost.

Mr. DUNNING: Yes, the value is the cost. Does not a 22½ per cent tariff increase the cost of the article being imported?

Mr. CANTLEY: Not always.

Item as amended agreed to.

The CHAIRMAN: The next will be item 28a of the third resolution, which reads as follows:

Customs tariff—28a. Tea imported direct from the country of growth and production, and tea purchased in the United Kingdom, when in wrappings, cartons or other packages of not less than five pounds weight each.

Provided that tea shall be entitled to entry under the British preferential tariff upon evidence satisfactory to the minister that such tea has been produced wholly in the British dominions, colonies and possessions, and not otherwise: British preferential tariff, free; intermediate tariff, 9 cents per pound; general tariff, 10 cents per pound.

Mr. DUNNING: An amendment was agreed to whereby the word "more" was to be substituted for the words "not less" in the last line of the item.

The CHAIRMAN: Shall the item as amended carry?

Mr. MANION: Would the minister explain what that means?

Mr. DUNNING: This item was held up in order to permit me to obtain some information with respect to the amount of tea cleared for consumption in the months prior to the budget, as compared with similar months in previous years. This information was asked for by the hon. members for Vancouver Centre (Mr. Stevens) and St. Lawrence-St. George (Mr. Cahan). I have the whole table, but the month of April is, of course, the pertinent month, if I may judge from the question. I am leaving off the odd hundreds. The clearances under the preferential tariff were as follows:

| | Pounds |
|---|---|
| April, 1928 | 2,002,000 |
| April, 1929 | 2,243,000 |
| April, 1930 | 2,260,000 |

That means pounds of tea that were cleared from customs for consumption in Canada in the month of April in each of the past three years. It will be seen that more tea was cleared and duty paid on it in April of this year than in April of either of the two preceding years. That, I think, answers everything that was

asked with regard to tea. If the figures are required as to tea which came in under the general tariff, it is only a small amount, but it can be given. It is as follows:

| | Pounds |
|---|---|
| April, 1928.. .. .. .. .. .. .. | 303,000 |
| April, 1929.. .. .. .. .. .. .. | 345,000 |
| April, 1930.. .. .. .. .. .. .. | 193,000 |

But of course the general tariff is not changed with respect to tea.

Mr. MANION: Is the figure which the minister gives as the number of pounds cleared, the same as that of the number of pounds entered under the tariff?

Mr. DUNNING: Entered for consumption is what I mean.

Mr. MANION: Imported?

Mr. DUNNING: No; tea may be held in bond. I am speaking of tea on which duty was paid. That is the important point. In April, duty was paid which, had the stocks remained in bond until May, would not have been chargeable, so I assume what my hon. friend wanted was information respecting the quantity of tea which was cleared while the duty was in effect and on which duty was paid. The figures as I have given them demonstrate that more tea paid duty in April, 1930, the month immediately preceding the budget on May 1, than was cleared and paid duty in April, 1929, or in April, 1928.

Mr. FRASER: I should like to direct the attention of the minister to the questions that were asked. I submit that he has not answered the questions asked by the hon. member for Vancouver Centre the other night. I will read the question for the minister's information. This is what the hon. member for Vancouver Centre said:

> Mr. Stevens: Will the minister be good enough to bring down certain information on this item? I should like to have information to this effect: the importations for each month, January, February, March and April; the amount released from bond in each of those months, and the amount in bond at the end of each month. I think that is easily available for the leading ports in Canada and for the whole of Canada.

As I understand the matter, the minister gave only the amounts that were released in one month.

Mr. DUNNING: Yes, in each of the three years, but I have under my hand and shall be glad to table the whole statement, which deals with every month of each of those three years giving the clearances on payment of duty which is the main point. I do not want to get mixed up with this matter which touches me very closely. My hon. friend knows very well the important matter was the amount of duty paid, because if there is anything in the story to which the hon. member for St. Lawrence-St. George referred, it would be shown in the payment of less duty in the month prior to the budget, would it not, the holding of tea in bond deliberately, not paying the duty on it, in anticipation of a reduction in duty so that less duty would be paid after the first of May than would have to be paid if the tea was cleared prior to the first of May? I think I have straightened that out by giving the figures for the month immediately preceding the budget. I can table the figures showing the amount of duty paid with respect to every month in each of the three preceding years; that is, this year, 1929, and 1928. My hon. friend's question referred to imports. May I point out to him that I do not propose to confuse the issue as between imports of tea and tea which is released from bond by a payment of duty. I know nothing of the volume of imports, but from the point of view of the budget what is important is what tea paid duty; because no matter how much tea comes into the country, until it pays duty it is not liable for duty; it may be held in bond. My point is that the quantity of tea imported is not pertinent to the question at issue. It makes no difference whether the tea is in the country or not. I have not the information for the reason that the Customs department write me to this effect with regard to the amount of imports—and I think my hon. friends want to be fair with me; they do not want to confuse imports with the amount of tea released from bond. They know perfectly well the point is the payment of the duty and I want to stick to that. I asked for the other figures; in fact, I forwarded the exact nature of the question asked and requested that it be answered. This is the reply that I received:

> In accordance with your request I am enclosing statement of the monthly imports of tea entered for consumption in Canada from April, 1926, to April, 1930, with separate imports entered under each tariff item as shown for each month from April, 1928, but for the months of the two preceding years, total imports under all tariffs are shown as separate figures are not available covering the monthly imports under general and preferential tariffs under this period.

I pointed out that the intermediate and general tariffs have no bearing both because of smallness of volume and on account of there being no change in the tariff.

> Returns from the different ports showing imports remaining in bonded warehouses are forwarded to the department only at the close of each fiscal year and these returns cover the

complete fiscal period. All of these returns have not yet been submitted for the fiscal year ended March, 1930, so that I am not able to quote the figures of the tea remaining in bonded warehouses at the end of March, but these will be supplied as soon as they are available.

The whole point is the amount of tea released from bond by the payment of duty, and as I have mentioned, more tea was released by the payment of duty during the month of April, 1930, than in the same month of each of the preceding years. So far as the figures for the other months are concerned, I shall be glad to put them on Hansard.

Mr. FRASER: My only point was to indicate to the minister that he was not answering the question as it had been put to him. My reason for doing that was that the hon. member for Vancouver Centre was not in the house and I wanted to avoid putting the minister to the trouble of again taking up the question when the hon. member for Vancouver Centre should come in and find that his question had not been answered according to the way he had put it to the minister. I do not think the minister has yet put on Hansard the information for which the hon. member for Vancouver Centre has asked.

Mr. DUNNING: Not all of it, I quite admit, and I am prepared to do what is very difficult to do. My hon. friend understands that our customs records are based upon duties paid. The payment of duty is what counts in the customs records. In the customs department there is no record of goods held in bond at every port throughout the country. They become part of the general customs record when they are released from bond by the payment of duty. In order to get figures respecting the total quantity of any commodity which is held in the customs ports it would be necessary to communicate with each of the ports and ask for the quantity of that commodity held in bond on a particular date. The hon. member for St. Lawrence-St. George, elaborating the question asked by the hon. member for Vancouver Centre, explained why the information was desired. What I bring down in that connection absolutely removes the point so far as the reason for the question is concerned, but I can assure my hon. friend and his colleague from Vancouver Centre that if the further information, which is entirely irrelevant, is required, it will be obtained by my colleague the Minister of National Revenue from the various customs ports throughout the Dominion, because that is the only way in which it can be secured.

Mr. FRASER: The hon. member for Vancouver Centre pointed out that it might be necessary to go to the Minister of National Revenue to secure that information.

Mr. DUNNING: It could not be got anywhere else. The information that I have given came from the Miinster of National Revenue.

Mr. MANION: The government puts out every month a report—I get it myself—showing the imports of all these different commodities, so that there would be no great trouble in getting the figures asked for.

Mr. DUNNING: They are not imports until they pay the duty.

Mr. MANION: They are not called imports until they are taken out of bond?

Mr. DUNNING: They are not officially in the country until they pay the duty.

Mr. EULER: They are not entered until they actually pay the duty.

Mr. MANION: And so the figures that we get do not contain anything that has not been taken out of bond?

Mr. EULER: Exactly.

Mr. MANION: Then this part of the question cannot be answered.

Mr. DUNNING: Oh yes, it can. The information can be obtained, but it will take time to secure it.

Mr. EULER: It would be a terrible job.

Mr. DUNNING: But it can be got. I do not intend to leave any loop hole for my hon. friends to say that the information cannot be given. It can be given, but it will take time to get it. It will serve no purpose, but we shall be glad to try to get the amount of tea held in bond at any period my hon. friends want. I submit, however, that I do not intend to have the real issue as put forward by my hon. friend from St. Lawrence-St. George beclouded. The only way in which a man who knew in advance the contents of this budget could profit by his knowledge was by holding back, and the figures show that so far from there being any tea held back, a greater amount of duty was paid in the month of April preceding this budget than had been paid in the corresponding month of the three previous years. I am quite satisfied to leave it at that. But I will ask my hon. friend the Minister of National Revenue to get the information regarding the stocks in bond—

Mr. EULER: If my hon. friend from Vancouver Centre still wants it.

Mr. DUNNING: If he still wants it.

Mr. FRASER: I was not concerned at all in what had been said by the hon. member for St. Lawrence- St. George or in the inferences that the Minister of Finance drew from his statement. I was simply concerned in seeing that the answer given to the hon. member for Vancouver Centre was full and complete.

Mr. LUCAS: When this question was under discussion on Friday evening last, the hon. member for St. John-Albert raised a question in regard to a rebate being paid on the stocks of tea in dealers' hands. I have a letter this morning from a wholesale house in my constituency calling my attention to that very thing, and stating that when the tax on tea was imposed in 1918, the stocks on hand were inventoried and the tax collected, and my correspondent asks if the government should not now in fairness give a rebate of the duty paid on the tea in the dealers' hands when this budget came into force. As the dealers in 1918 were followed up and made to pay the tax, it would seem only fair, since they were penalized then, that they should be given the benefit this time. I would like to have a statement from the Minister of Finance upon the point.

Mr. DUNNING: My hon. friend was in the house the other evening. I am quite sure he does not think that the dealers themselves paid the tax when it was instituted. They had an opportunity of passing it along to the consumers of tea, and I would be very much surprised if they did not do it. It would be good business and quite proper for them to do it. The other evening in response to my hon. friend from St. John-Albert I indicated that while there was not much hope, the government was gathering all the facts with respect to the matter. I do not want to hold out any hope that we can establish the principle of refund of duty with respect to budget changes, but the Minister of National Revenue is gathering information now as to what is involved. My hon. friend will easily see the difficulty that I pointed out the other night. There is not only the large dealers involved, but every grocery store in this country would have some tea on its shelves on which duty had been paid, and if it is correct in principle to refund the duty to anyone, it is sound to refund it to everyone. That would be a procedure attended with some difficulty, not only from the point of view of fairness, but from the point of view of complexity. However, the matter will be looked into.

Mr. KAISER: I have some figures here which I might be allowed to put on Hansard without reading. There are a few instructive points which they bring out. They show the quantity of tea imported into Canada, the value, and the duty collected for the twenty years from 1910 to 1930. The first point worthy of note is the marvelous increase in the consumption of tea in this country from 1916 to 1918. I do not know whether that was due to the inauguration of prohibition in Canada or what, but the consumption jumped from 40,000,000 pounds in 1916 and 37,000,000 pounds in 1917 to 58,000,000 pounds in 1918. Then the consumption got down to normal, and in 1930 it was 38,102,295 pounds. The value, of course, corresponds with the importation. In the matter of the duties collected, for the ten years up to 1920 previous to the coming into power of this government, the total duty paid on tea was $2,907,082. In the ten years during which this government was in charge of the affairs of this country the duty collected was $26,882,981, or an increase over the ten previous years of ten times, or 1,000 per cent. So it is nearly time something was done to take the duty off tea. The average consumption of tea per head in Canada per annum is four pounds. The consumers saved, by this reduction of seven cents per pound, 28 cents per head per year. That is the total saving to each inhabitant of Canada per year under the present proposal.

Mr. POULIOT: That is not a question; it is a statement.

Mr. KAISER: I do not wonder at that remark from someone who is incapable of multiplying four by seven.

Mr. POULIOT: Will my hon. friend, as a doctor, tell us if tea is injurious to health?

Mr. CHAPLIN: What have you to say about it as a lawyer?

Mr. KAISER: When we come to discuss public health I shall be glad to inform my hon. friend whether tea is more injurious to health than something else.

Mr. POULIOT: Would my hon. friend tell me whether there is more caffein in tea than in coffee?

Mr. KAISER: You drink tea for one year, then whiskey for one year, and then coffee, and tell us which you feel better on.

Mr. POULIOT: As far as I can see, my hon. friend is not on the water wagon.

Mr. KAISER: To continue with my statement, the saving to each individual in Canada is one cent every thirteen days.

Mr. DUNNING: That includes all the babies who do not drink tea.

Mr. KAISER: May I put these figures on Hansard without reading them?

Some hon. MEMBERS: Read it.

Mr. KAISER: Perhaps the Minister of Finance will consent to my putting it on Hansard.

Mr. POULIOT: I object. It is most interesting information and we shall all be glad to hear it.

Mr. KAISER: These are the figures:

Canada's Imports Of Tea And Duty Collected Thereon

(Years ended March 31, 1910 to 1930)

| Years ended March 31st | Quantity | Value | Duty collected |
|---|---|---|---|
| 1910..lbs. | 33,178,366 | $ 5,347,854 | $ 7,032 |
| 1911..lbs. | 34,259,053 | 5,654,883 | 4,251 |
| 1912..lbs. | 38,402,110 | 6,706,575 | 4,463 |
| 1913..lbs. | 40,296,055 | 6,843,620 | 4,236 |
| 1914..lbs. | 37,628,322 | 6,649,716 | 5,506 |
| 1915..lbs. | 40,830,701 | 7,364,250 | 8,957 |
| 1916..lbs. | 40,655,939 | 7,271,900 | 7,931 |
| 1917..lbs. | 37,654,868 | 7,954,786 | 4,952 |
| 1918..lbs. | 58,333,119 | 13,713,427 | 15,648 |
| 1919..lbs. | 17,174,279 | 3,793,724 | 11,801 |
| 1920..lbs. | 32,339,350 | 8,336,163 | 2,832,305 |
| 1921..lbs. | 33,422,902 | 9,668,785 | 2,572,929 |
| 1922..lbs. | 38,844,703 | 9,132,093 | 2,914,002 |
| 1923..lbs. | 40,278,205 | 10,356,757 | 3,055,820 |
| 1924..lbs. | 39,725,559 | 12,504,104 | 2,804,036 |
| 1925..lbs. | 36,255,149 | 11,727,343 | 2,487,958 |
| 1926..lbs. | 37,378,910 | 12,188,046 | 2,567,496 |
| 1927..lbs. | 37,091,340 | 12,236,714 | 2,565,243 |
| 1928..lbs. | 38,658,494 | 12,310,414 | 2,648,003 |
| 1929..lbs. | 39,425,956 | 11,752,521 | 2,670,801 |
| 1930..lbs. | 38,102,295 | 10,694,379 | 2,596,693 |

If the hon. member for Temiscouata would like to have further details, I advise him to go to the Bureau of Statistics.

The CHAIRMAN: Shall the item carry?

Mr. STEWART (Leeds): No, Mr. Chairman. The minister was good enough to put on Hansard certain statistics with regard to the quantities of tea for the month of April. Will he also give the figures for the months of January, February and March for the last three years?

Mr. DUNNING: Yes, I have the information here.

Mr. STEWART (Leeds): I should like to have the information for those months. One month does not amount to much.

Mr. DUNNING: I shall be very glad to give the exact figures.

Mr. CHAPLIN: I would suggest to the minister that the sheet be published in Hansard. The information will be appreciated.

Mr. DUNNING: Have I the consent of the house to put it on Hansard?

Some hon. MEMBERS: Certainly.

Mr. DUNNING: Then I will give the statement to Hansard.

The statement follows:

Statement showing the Total Monthly Imports of Tea entered for consumption in Canada under different tariffs from April 1928 to April 1930

| Month | April, 1928 to March, 1929 | | | | April, 1929 to March, 1930 | | | |
|---|---|---|---|---|---|---|---|---|
| | General Tariff | | Preferential Tariff | | General Tariff | | Preferential Tariff | |
| | Lb. | Value | Lb | Value | Lb. | Value | Lb. | Value |
| | | $ | | $ | | $ | | $ |
| April | 303,616 | 59,651 | 2,002,977 | 704,382 | 345,991 | 72,844 | 2,243,528 | 696,178 |
| May | 382,020 | 80,222 | 2,935,637 | 1,000,680 | 398,041 | 87,674 | 2,709,652 | 856,960 |
| June | 379,919 | 77,866 | 3,132,730 | 1,075,486 | 330,060 | 64,144 | 2,711,242 | 854,739 |
| July | 313,106 | 63,662 | 2,468,581 | 828,012 | 313,401 | 65,782 | 2,646,338 | 815,819 |
| August | 382,537 | 79,465 | 2,683,137 | 876,708 | 380,371 | 84,038 | 2,659,607 | 911,938 |
| September | 436,063 | 88,865 | 2,981,244 | 951,758 | 463,667 | 87,694 | 2,823,951 | 832,456 |
| October | 612,063 | 127,557 | 3,434,122 | 1,023,946 | 447,139 | 90,135 | 3,951,251 | 1,157,287 |
| November | 641,115 | 120,820 | 3,136,421 | 902,977 | 659,008 | 125,315 | 2,912,695 | 788,184 |
| December | 372,873 | 73,094 | 3,042,303 | 844,270 | 334,489 | 72,199 | 2,560,801 | 694,799 |
| January | 260,686 | 54,863 | 2,665,226 | 744,886 | 321,635 | 69,977 | 3,015,424 | 801,825 |
| February | 739,804 | 74,610 | 2,593,979 | 769,660 | 413,658 | 84,393 | 2,521,803 | 639,525 |
| March | 396,197 | 78,751 | 3,519,600 | 1,050,330 | 312,838 | 63,759 | 2,625,705 | 676,715 |
| Totals | 4,839,999 | 979,426 | 34,595,957 | 10,773,095 | 4,720,298 | 967,954 | 33,381,997 | 9,726,425 |
| | | | | April, 1930 | | | | |
| | 193,374 | $37,877 | 2,260,355 | $579,845 | | | | |

"X". Trade statistics are compiled only for complete monthly periods, so that figures for May, 1930, are not yet available

I would point out that of necessity the figures for April, 1930, stand out alone because the tabulated information is for comparable periods in each year. However, I think the statement will be quite plain to hon. members.

At six o'clock the committee took recess.

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## After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock we were considering item 28a, as amended.

Item as amended agreed to.

Customs tariff—36. Compressed yeast, in bulk or mass of not less than fifty pounds, per pound: British preferential tariff, free; intermediate tariff, 2½ cents; general tariff, 3 cents.

Mr. FRASER: Will the minister tell us the importations in regard to that particular item.

Mr. DUNNING: The total imports were valued at $352,000, of which $351,000 came from the United States, and a small amount from Great Britain.

Mr. FRASER: One thousand dollars' worth.

Item agreed to.

Customs tariff—37. Compressed yeast, in packages weighing less than 50 pounds, the weight of the package to be included in the weight for duty, per pound: British preferential tariff, free; intermediate tariff, 5 cents; general tariff, 6 cents.

Mr. FRASER: Will the minister give us the same information in connection with that item?

Mr. DUNNING: The total imports were valued at $4,997, of which $4,600 worth came from the United States.

Item agreed to.

Customs tariff—38. Yeast cakes, the weight of the package to be included in the weight for duty, per pound: British preferential tariff, free; intermediate tariff, 5 cents; general tariff, 6 cents.

Mr. DUNNING: There were very small importations in connection with this item—only $305 worth from the United States.

Mr. FRASER: I wish to quote from the budget speech of the Minister of Finance as it appears at page 1631 of Hansard. Speaking in reference to the British preference, he said:

The importance of this enlargement of the preference is indicated by the fact that Canada imported last year over two hundred million dollars' worth of the commodities on which we are now increasing the British preference.

In connection with the items with which we have just dealt I find that of a total importation valued at approximately $360,000 about $1,700 worth came from Great Britain. In making the calculation of $200,000,000 I would ask the minister if the $360,000 or the $1,700 items were taken into consideration. In other words, did he take into account the total amount of commodities imported when he said that $200,000,000 worth would be affected by the British preference, or did he consider only the $1,700?

Mr. DUNNING: If my hon. friend had read another part of the address from which he quoted he would have noticed that I said there were some fifty items of a class concerning which there had been no great quantities of imports from Great Britain, but that in connection with some a certain amount of trade might be developed. I said that it seemed absurd to maintain a tariff in the British preferential column with respect to such items. In arriving at the total imports to which he referred none of these fifty items were taken into account because of the fact I have just mentioned.

Mr. MANION: I do not think the question has been clearly answered. In connection with the $200,000,000 worth of imports referred to by the minister, concerning which I think he said these preferences would apply, were they imports from the British Empire or from the world in general?

Mr. DUNNING: They represented $200,000,000 worth of imports from anywhere. In arriving at the total I did not use any of these fifty items, which would be relatively non-effective as far as Great Britain is concerned.

Mr. CHAPLIN: The wording used by the minister was probably not as clear as it might have been. Although he might just as well have done so, the minister did not say that the $200,000,000 worth of imports would come in from Great Britain.

Mr. DUNNING: Of course I did not.

Mr. CHAPLIN: But the minister was very careful to give us a long list of so many dozen or so many hundred items with new British preferential rates. I suppose the minister did not count in that number the fifty items referred to.

Mr. DUNNING: Which number?

Mr. CHAPLIN: In the number of items now imported free from Great Britain.

Mr. DUNNING: Of course I included them.

Mr. CHAPLIN: I would like to know how much of this $200,000,000 worth is likely to come from Great Britain.

Mr. BENNETT: Or from the British Empire.

Mr. DUNNING: That will probably develop as we proceed to deal with the various items. My hon. friend knows very well that no one can gauge the tendency of traders to take advantage of any given situation. Others outside of this house have attempted to assess what are the possibilities along that line, and certainly the people in Great Britain and the United States who go into these matters appear to be of the belief that a substantial volume of trade is affected. I am quite sure that a very substantial volume of trade will be affected, dependent very largely of course in some instances upon the enterprise of the British industrialist and to some degree upon the extent to which he is willing and able, as I indicated in the budget address, to meet the service given by his effective competitor to-day. As we go through the various items I shall be glad to give such detailed information as we have in regard to each of them.

Mr. McGIBBON: Has not the minister's staff made any attempt to do this work?

Mr. DUNNING: I gave the result of that estimate in the budget speech. No one can give even an intelligent guess as to the extent to which the preference in each particular case may be taken advantage of. From what I have heard since the budget became public I have great reason to believe that it will be taken advantage of to a very marked degree in connection with many of the commodities touched.

Mr. McGIBBON: I meant the total; has the minister no idea at all in that regard?

Mr. CHAPLIN: Mr. Chairman, it seems to me that the very statement of the minister that $200,000,000 of trade was affected had an important bearing on what the people in the old country thought of the tariff, before they knew anything of the items at all; it gave the impression that these markets were being thrown open to them to that extent. That is what happened. How could even the best of business men say what was going to happen in the case of certain things without knowing what were the items in the budget? They could not tell anything about it. They do not even know yet, let alone knowing at that time.



Mr. DUNNING: Well, Mr. Chairman, in that regard I can only say that the leading items in the budget, at the request of old country authorities, were cabled over there immediately, and certainly the detailed information was available to the people of the United States before that exhaustive analysis which has been published throughout the United States was made. I shall leave it at that.

Mr. McGIBBON: Surely, Mr. Chairman, the minister is not firing a blank cartridge, so to speak.

Mr. DUNNING: I am sure it is not blank.

Mr. McGIBBON: Surely this budget is predicated on some intelligent conception of the business which might be transferred, and that is what we want to know. Is the budget based on a survey of business conditions, or is it simply a kind of guess at things? Surely the department has made some estimate.

Mr. DUNNING: I gave that estimate in the budget address.

Mr. FRASER: The minister must have had some basis for making that statement with regard to $200,000,000. Could he give the house any idea of how he arrived at that amount?

Mr. DUNNING: We calculated Canada's trade with respect to all the items dealt with in the budget with the exception of fifty which I stated in the budget address were of a relatively unimportant character as far as Great Britain was concerned. The estimate was based on an absolute calculation, and a conservative calculation, of Canada's trade in that connection.

Mr. BENNETT: As I understand it—and I am sure we are all under obligation to the minister for his explanation—the $200,000,000 represented the sum total of the imports into this country from all sources of goods touched by these tariff changes?

Mr. DUNNING: Except the fifty items.

Mr. BENNETT: Well, they were practically negligible.

Mr. DUNNING: Not negligible except so far as Great Britain is concerned. The fifty were negligible only as far as Great Britain was concerned—

Mr. BENNETT: Naturally, as the minister said the other day—

Mr. DUNNING:—not as far as our total imports are concerned.

Mr. BENNETT: They would be relatively unimportant in that regard also. There were the items of hay, straw, and natural gas.

The $200,000,000 represents the sum total or the aggregate of the import trade of this country from all sources, other than the fifty items to which the minister has referred.

Mr. DUNNING: Yes.

Mr. BENNETT: The American tariff has not been touched with respect to something like 391 items; it remains just where it was, so that the only possible chance of increased trade is not by reason of an increase against the United States with respect to nearly 400 items but by reason of a reduction of the tariff as against the British Empire. In other words, the incentive to British Empire trade, and the only incentive there is to it, is the extent to which, with respect to nearly 400 items, there has been a reduction in the preferential tariff. It cannot be otherwise, in view of what the minister has said; so that all these changes mean that we have 500 or more items in the tariff, in respect of which in some instances the slightest possible changes have been made. We add them together, and they make $200,000,000, excepting the fifty items referred to. Then we say "this tariff touches $200,000,000 in the aggregate", but it indicates nothing as to how the transference of that trade from one source to another will take place, and the minister says that is left in the cloudland of doubt and conjecture.

Mr. DUNNING: No, I said that with respect to each item I would give such information as I had.

Mr. BENNETT: Yes, but now I am dealing with the aggregate. I do submit to the minister that he must realize how misleading that is. How far would you get in connection with a private business if you said that the sum total of all the goods you bought amounted to $1,000,000 and then said, "We have concluded that we will make no change in the basis of trade with our principal customers, but we will make it a little easier for somebody else three thousand miles away to trade with us", and then say that the sum total affected is $1,000,000. I submit that is doing what is intended should be done, namely, leaving an erroneous impression upon the public mind. In the analysis, stripped of everything, it gets down to this, that of a tariff containing nearly 600 items, with respect to the United States nearly 400 items have not been touched, but with respect to Great Britain there have been increases in some cases and decreases in others. We know that the effect will be of increasing trade in the one case and diminishing it in the other, but the minister is going to give us the imports and the exports under each item and then leave us to guess, as well as himself, as to what the result may be.

I commend to him Mr. Snowden's observations, thanking business men, as he did in his budget, for the information supplied to him by which he was able to predicate almost what revenue he would receive by reason of the changes he made, not with absolute certainty but within a million pounds or so. The value of the Chancellor of the Exchequer in Great Britain is determined not by his guesses but by the accuracy of his estimates. Anyone can guess; anyone can sit down, add up all these imports and then simply say that we have touched $200,000,000 worth of trade; but how we touched it the minister does not know.

Mr. DUNNING: We have touched it very definitely by widening the British preference with respect to the commodities covered by the items.

Mr. BENNETT: How many of them?

Mr. DUNNING: How many cases?

Mr. BENNETT: Yes.

Mr. DUNNING: That is quite apparent from the figures I gave in the budget address. I have not them at hand but they can be found quite easily. With regard to taking the advice of business men, nearly every one of the items we are now discussing has been before the Tariff Advisory Board in public hearings at which business men were present. I should like to pay my tribute to the business men of this country for their cooperation in that regard. I indicated it in the budget itself, but no one of these business men could possibly indicate the extent to which a particular line of goods would be affected by the widening of the British preference; no one could tell to what extent in one or two years that trade would be diverted say from the United States to Great Britain. It is not possible to do that; my hon. friend knows it is not possible for anyone to gauge all the factors which enter into a transaction of that kind. From the evidence available it would appear that the British people are sufficiently alive to the opportunity of obtaining trade which formerly went to the United States as to warrant the hope for a substantial increase this year in these commodities.

Mr. BENNETT: Could the minister tell me if yeast cakes and compressed yeast are manufactured in Canada?

Mr. DUNNING: Yes.

Mr. BENNETT: There has been no change made in the American tariff?

Mr. DUNNING: No.

Mr. BENNETT: The British tariff has been taken off entirely, and that will probably mean the displacing of Canadian goods with British goods. These goods are manufactured in Canada and heretofore there has been a duty against them on importations from the British Empire and from the United States. Does the hon. minister propose to displace Canadian-made goods with British-made goods?

Mr. DUNNING: The answer is no.

Mr. BENNETT: Why the change, if we are not going to obtain more trade under the British preference?

Mr. DUNNING: We are importing $360,000 worth per year from the United States, which will carry in the future the same tariff as it has carried in the past.

Mr. BENNETT: How much did we get from Great Britain?

Mr. DUNNING: Very little.

Mr. BENNETT: I understand it was $1,400.

Mr. DUNNING: It was $1,700.

Mr. BENNETT: Fleischman's yeast has been purchased in large quantities. This product is dependent upon its freshness, and Canadian factories have been supplying requirements. The American parent company has shipped a substantial quantity into this country, and they have had to compete against that tariff for the last three years. We have received only $1,700 worth from Great Britain, and that quantity probably has been used for malting purposes.

Mr. DUNNING: It was not on the free list until now.

Mr. BENNETT: Previously the rates were 3 cents from the United States as against 2 cents from Great Britain for compressed yeast in bulk; 6 cents from the United States as against 4 cents from Great Britain for compressed yeast in packages, and 6 cents from the United States as against 4 cents from Great Britain for yeast cakes. The intention is to take off the British rate and leave the other rates as they are at present. That will do one of two things; it will either diminish the quantity coming in from the United States, or cause Canadian products to be displaced by British products. Which is it to be? If the American product is to be displaced, well and good, but if the Canadian product is to be displaced, I submit that that is all to the bad. The minister says it is being put on the free list and all we have to do is to sit down and see if a Canadian industry is to be ruined, or if importations of $360,000 are to be replaced by Canadian products. That is the real issue in this case, as with many other items in the list. With the enormous market for these products which exists in the United States and in Canada, it is idle to think that the American product will be displaced; the result will be that competition will be made that much harder for the Canadian industry.



Mr. MANION: In delivering his budget speech the minister gave a summary of the reductions and increases, which appears on page 1631 of Hansard. On the previous page, there appears a summary in connection with iron and steel, and I would like to know if the general summary included that given for iron and steel.

Mr. DUNNING: It included everything.

Mr. MANION: The summary which appears on page 1631 includes the previous summary?

Mr. DUNNING: The final summary is complete.

Item agreed to.

Customs tariff—47. Beans, n.o.p., per pound: British preferential tariff, free; intermediate tariff, 1½ cents; general tariff, 2 cents.

Mr. FANSHER (Lambton): What amount was imported during 1929, and what amount of duty was collected thereon?

Mr. DUNNING: In 1929 we imported 327,000 bushels, valued at $1,128,000.

Mr. FANSHER (Lambton): And the duty collected?

Mr. DUNNING: I shall have to calculate that.

Mr. CHAPLIN: That is the total importation?

Mr. DUNNING: I can only approximate that information, because the imports are not divided according to the intermediate and general tariffs. Assuming that the whole quantity came in under the general tariff, the duty collected would be about $82,000.

Mr. MANION: Did most of it come in under the general tariff?

Mr. DUNNING: We received 120,000 bushels from Belgium, 83,000 bushels from Japan, 73,000 bushels from the United States and 18,000 bushels from Great Britain.

Mr. BENNETT: Those would be transhipped from Great Britain.

Mr. DUNNING: They qualified for the British preference, which would mean that they would be grown somewhere in the empire.

Mr. FANSHER (Lambton): What were the exports for the same period?

Mr. DUNNING: The exports were so small as not to be included in my notes. I could have that looked up, but apparently they were very small.

Mr. FANSHER (Lambton): Are those figures for the calendar year?

Mr. DUNNING: For the fiscal year 1929.

Mr. FANSHER (Lambton): Ending March 31, 1929.

Mr. DUNNING: That is right.

Mr. FANSHER (Lambton): Could the minister give us the same figures for the succeeding fiscal year ending March 31, 1930?

Mr. DUNNING: Those figures are not available except in a very fragmentary and unchecked form.

Mr. FANSHER (Lambton): The minister will observe that these figures have a very important bearing.

Mr. DUNNING: During the fiscal year of 1929 we exported 45,000 bushels.

Mr. LADNER: Under the old classification the rates were 15 cents, 22½ cents, and 25 cents per bushel, while the new rates are given in pounds. What difference per pound would that make?

Mr. DUNNING: There are 60 pounds to ths bushel.

Mr. ADSHEAD: Under the general tariff the old rate was 25 cents per bushel, while under the new tariff it is 2 cents per pound, which would mean $1.20 per bushel as against 25 cents. Am I correct in making that statement?

Mr. DUNNING: Yes.

Mr. ADSHEAD: Beans are used very freely in the west and an increase of 480 per cent is almost unthinkable. I cannot understand how a Liberal government on an article of diet like this would increase the duty by 480 per cent. I do not think it is good business. I would ask the minister to consider returning to the old rate, except for the provision making beans free under the British preferential tariff.

Mr. DUNNING: The bean growers applied for a hearing before the tariff board and my hon. friend, in common with everyone else, has access to the evidence which was given with respect to the matter. With regard to the question of percentages, that observation as to an increase of 480 per cent reminds me of an old story that I have probably told in my hon. friend's hearing before, but it will not hurt to repeat it because it illustrates how illusory the use of percentages can sometimes be in relation to practical facts.

Mr. BENNETT: It depends on how they are used.

Mr. DUNNING: Yes. I am very chary of using percentage illustrations, because of the traps into which they may lead one. There was a number of years ago a very famous member of the British parliament named Sir Wilfrid Lawson. My hon. friend may have heard of him. He was not a prohibitionist, but a great temperance advocate. He was a member of the British house and he was fond of asking questions designed to elicit information which would be of service to him advancing the cause he had at heart. On one occasion during the Ashanti war he asked a question as to the proportion of casualties among total abstainers in the Ashanti expeditionary force and he was staggered when he got the information that 50 per cent were killed and 50 per cent died. That looked terrible, but being a persistent old gentleman he made further inquiry and found that there were only two total abstainers in the Ashanti expeditionary force, one of them having been killed and one having died. That illustrates that the percentage method of approach does not always reveal the facts of the situation. The bean growers to my mind made out a case for their request before the tariff board; hence I am proposing now to grant it.

Mr. ADSHEAD: Leaving the percentage alone, I say it is four times as much. If that will not suit the Minister of Finance, I do not know what will. I know of no other country that has increased its tariff four times as much as before. I would move:

That item 47 be free under the British preference and the same as it was previously, namely, 22½ cents under the intermediate tariff and 25 cents a bushel under the general tariff.

Mr. BENNETT: May I remind the minister that he has not yet told us what the bean growers asked for. What did they ask for? They did not ask for this award.

Mr. DUNNING: I cannot be quite sure. I think it was 2½ cents. My hon. friend knows and he might tell me.

Mr. BENNETT: I am asking because the evidence is in my room. I looked at it last week, but I do not want to trust to memory.

Mr. FANSHER (Last Mountain): The minister intimated that he had some figures for the calendar year. Would he give us by months the importations since March 31, 1929?

Mr. DUNNING: I will try to find them. The Trade of Canada for the calendar year does not give the information month by month, as my hon. friend requests, but it gives the information for the whole year. The total imports for the calendar year 1929 were 229,000 bushels.

Mr. SENN: May I ask the minister whether the bean growers, when they submitted their brief, suggested that beans should enter free under the British preference?

Mr. DUNNING: They did not.

Mr. FANSHER (Last Mountain): When I asked for the exports of beans, I did not suppose any account was taken of the number of Canadian canned beans that were exported.

Mr. DUNNING: In the information I gave I was dealing only with the item before us. We shall come to canned beans which, of course, constitute an entirely separate item.

Mr. FANSHER (Last Mountain): But the minister can readily see it has a bearing on our exports of this product, because a certain quantity might be canned in this country and exported. If possible I should like to know the number of bushels of Canadian beans that were exported as canned beans.

Mr. DUNNING: I cannot distinguish in the canning between Canadian beans which were canned and imported beans which were canned. The only information I can give is our exports of canned beans. The origin of the particular bean is not traceable. The figures I am now giving include the weight of the can and the weight of the liquid. My hon. friend will understand that they do not bear an exact relationship to the dried beans. We exported 13,700,000 pounds of beans in tin cans. I suppose that would include a little pork.

Mr. BENNETT: What was the invoice price per bushel of beans last year according to the trade returns?

Mr. DUNNING: My hon. friend will note these figures and then he can follow me in my calculations. In 1929, leaving out the odd hundreds, the amount was 327,000 bushels at a value of $1,128,000. That would be $3 and a fraction per bushel.

[Mr. Dunning.]

Mr. BENNETT: A friend of mine who was in one of these large canning factories not long since—told me that he saw there a large quantity of Japanese and Belgian beans and some beans from the United States, and I understood that the proprietors had said that the Japanese and Belgian beans had cost much less than that. I suppose this figure lumps them all, and that it is impossible to tell from it just what the cost is. I understood that it was in the vicinity of $2.50, but that may or may not be accurate.

Mr. DUNNING: The Canadian price, which is somewhat of a guide, of course, because the prices must be competitive, was $3.30 for that year.

Mr. CHAPLIN: The trade returns for 1929 show that 82,000 bushels of Japanese beans came in, valued at $298,000.

Mr. BENNETT: That is a little more than $3 per bushel.

Mr. KENNEDY: To how many countries from which we imported beans n.o.p. in 1928 or 1929 will this British preference reduction apply? The countries from which we imported beans were the United Kingdom, United States, Belgium, France, Hungary, Japan, the Netherlands and Roumania. I suppose the United Kingdom would be the only one to which this reduction would apply.

Mr. DUNNING: The product of other parts of the British Empire would enter under the British preference through Britain normally in connection with a commodity such as beans. Britain is the great market in Europe for this class of commodity. I do not know of any direct trade in beans between Canada and any other part of the British Empire. We got 18,000 bushels from Great Britain in the fiscal year 1929. That might have been produced in any part of the British Empire which is eligible for the British preference.

Mr. KENNEDY: What countries would be entitled to the treaty rate of one and a half cents?

Mr. DUNNING: All the countries that now supply us with any considerable supplies, chiefly Japan and Belgium.

Mr. KAISER: Do I understand that the old tariff was 25 cents a bushel?

Mr. DUNNING: Yes.

Mr. KAISER: And the proposed duty is $1.20 a bushel?

Mr. DUNNING: That is right.

Mr. FANSHER (Lambton): What were our imports of canned beans for 1929?

Mr. DUNNING: We brought in $95,000 worth of canned beans in the calendar year 1929.

Mr. BENNETT: It will be observed that of the beans that came into Canada last year the greater part came from treaty countries, Japan and Belgium chiefly, our imports from those two countries approximating 170,000 bushels, as against 110,000 bushels from the United States and the small quantity of 18,000 bushels from the British Empire. I take it, therefore, that it is perfectly clear that the imposition of the tariff at the present rate is to encourage the production of beans at home and to protect Canadian agriculture. That is what it must be for; it could not be for British trade. The minister will observe that the rate for treaty countries is now 90 cents per bushel, and that last year the duty was 22½ cents with respect to the two treaty countries principally affected. Do I understand it to be the minister's view that an increase of 400 per cent protection is exactly what is required to develop the bean industry in Canada? I do not want there to be any misapprehension about it.

Mr. DUNNING: The protection is not 400 per cent. My hon. friend knows better than that.

Mr. BENNETT: The increase in the tariff is from 22½ cents a bushel to 90 cents a bushel for treaty countries, from which last year we bought the major part of our bean requirements. That is the intermediate tariff. That is an increase in the tariff of 400 per cent. Do I understand it to be the government's position that it was necessary to increase the bean duty 400 per cent to supply adequate protection to the Canadian bean grower?

Mr. DUNNING: I am not going to talk in percentages.

Mr. BENNETT: But this is a clear case.

Mr. DUNNING: In my judgment the bean growers made out a case with respect to the production of beans in Canada, and with respect to oriental competition particularly, and continental competition, but not to the same degree. Beans can be grown in Canada. It is a commodity which we should be producing in many different parts of this country. That is the position.

Mr. BENNETT: I think the minister is perfectly frank. This increased duty is imposed for the benefit of the Canadian farmer and the producer of beans in Canada. What the percentage increase is, of course, is a matter of no great moment to my friend from Weyburn as long as the protection is adequate and sufficient. So far as we are concerned, we desire to see the bean industry fostered and safeguarded and benefited. We are not assuming any responsibility as to the extent to which the hon. gentleman may think it desirable to impose taxation for that purpose, but how my hon. friend from Lisgar would have made the welkin ring in days gone by at 400 per cent increase in the tariff.

Mr. BROWN: It is not 400 per cent, but 300 per cent.

Mr. BENNETT: Four times 22½ is 90.

Mr. McINTOSH: The increase is 300 per cent.

Mr. BENNETT: Well then, 300 per cent. I am glad that the hon. member for North Battleford is satisfied that 300 per cent of an increase in the tariff is reasonable and adequate protection, but he objects to 400 per cent as a little too much. How the welkin has rung in days gone by at an increase of 10 or 20 per cent! How any increase at all has been denounced by some hon. gentlemen! How the cry has gone forth that the farmer never could benefit from protection! Where is the consumers' league now? Page Mr. Deachman.

Mr. BROWN: It never should benefit the farmer, did the hon. gentleman say?

Mr. BENNETT: Never could; I am quoting the hon. gentleman and the consumer's league.

Mr. BROWN: Never could ultimately.

Mr. BENNETT: Now we have it; I suppose we have reached the ultimate. I think if my hon. friend will study Archbishop Trench's book on words he will find that the ultimate has now been reached. How the hon. gentleman in days gone by used to launch those fierce tirades against protection and indicate how little advantage it could possibly be to the farmer! How my hon. friend from Weyburn used to denounce the Conservative party as the party of high protection! Will he or the hon. member for Saskatoon point to a 300 per cent increase in any Conservative tariff?

Mr. YOUNG (Saskatoon): Perhaps the hon. gentleman would appreciate the situation a little better if he said that the duty was one-third of a cent and is now one cent and a half.

Mr. BENNETT: Oh no, the former duty was a little over half a cent a pound.

Mr. YOUNG (Saskatoon): About a third, and the proposed rate is one and a half. These figures are probably less confusing than those large percentages.

Mr. BENNETT: Quite so. But how delightful they were in days gone by to hon. gentlemen opposite! How they used to revel in them and roll them under their tongue!

Mr. BROWN: I beg my hon. friend's pardon. For my part I never have used those percentages, I recognize what folly it is to talk in percentages only, as I pointed out the other day.

Mr. BENNETT: I am so glad the hon. gentleman never used those figures. Of course, he never could have used them, because the Conservatives never made such increases. Look at the happiness with which they accept this three hundred per cent increase! What a happy crew!

An hon. MEMBER: Are you happy?

Mr. BENNETT: I should say so. Any man is happy when he sees his doctrines put into practice. But he realizes that novices in the application of them often make mistakes.

Mr. EULER: They make a mess of it.

Mr. BENNETT: They often do, they make a great mess of it—as the hon. minister will discover shortly when he gets up to Waterloo. Let us have no misunderstanding. The tariff has been increased on beans three hundred per cent against treaty countries from which we obtained the major importations of our beans last year, as necessary for the protection of the Canadian farmer. And the Liberal party that yesterday denounced it now accepts it. Those delightful free trade gentlemen, with whom I have passed many pleasant hours, are now the custodians of the faith in protection that formerly they abused in terms so loud. My friend from Lisgar says he is not the custodian of the faith; but I observed by his vote the other day that he swallowed this tariff. Surely that must be so.

The CHAIRMAN: The hon. member for East Calgary (Mr. Adshead) moves in amendment that item 47 be free under the British preference and be the same as it was previously, namely, 22½ cents per bushel under the intermediate tariff, and 25 cents per bushel under the general tariff.

I find at page 164 of Beauchesne's Parliamentary Rules and Forms the following quotation from the 13th edition of May, page 544. dealing with standing order No. 60:

> Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the government, and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount,—

The amendment in my opinion conflicts with that authority in two particulars: First, it would affect the balance of ways and means voted for the service of the year; secondly, it is not an equivalent amount. Therefore I rule the amendment out of order.

Mr. ADSHEAD: On the point of order, may I refer you, Mr. Chairman, to paragraph 556 at page 165 of Beauchesne's Parliamentary Rules and Forms, where it is distinctly stated:

> The house can make amendments which diminish the amount of reduction of taxation, or postpone the day when the reduction takes place, although the amendments may increase to that extent the charges proposed to be levied upon the people.
>
> So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee—

I am introducing it in the committee; I am not increasing the tax at all, Mr. Chairman.

The CHAIRMAN: I am afraid the hon. gentleman does not appreciate the fact that the house may do certain things that the committee may not do. We are in committee of ways and means at the present time.

Mr. ADSHEAD: May I repeat my citation again:

> So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill,—

Mr. CHAPLIN: Do you rule, Mr. Chairman, that a member of the committee cannot move to reduce a tax?

The CHAIRMAN: Yes, that is my ruling.

Mr. CHAPLIN: Then I think you had better revise it, Mr. Chairman.

Mr. DUNNING: Is it not rather a question, Mr. Chairman, as to the stage of the proceedings at which action of this kind may be taken? I am not familiar with the rule, but as I understand it action may be taken at a certain stage in the proceedings.

Mr. ARTHURS: I have repeatedly heard the Minister of Finance reduce or increase taxation in committee of ways and means.

The CHAIRMAN: A minister of the crown may move to reduce or increase taxation, but not a private member.

Mr. CHAPLIN: Mr. Chairman, I think you will find that that is wrong. A minister of the crown can move to increase, but any member can move to decrease taxation.

Mr. McGIBBON: It has been done in this house many times.

Mr. HEAPS: Mr. Chairman, will you explain what is meant in paragraph 556 of Beauchesne's Parliamentary Rules and Forms where the author cites May as authority for the statement:

> The house can make amendments which diminish the amount of reduction of taxation,—

Does it mean that only a minister of the crown can make such an amendment?

Mr. DUNNING: As I understand, Mr. Chairman—I am not arguing for or against the point of order—the house is competent to reduce taxation, but it is a question as to the stage of the proceedings at which such action is in order. The section that my hon. friend quoted refers, I believe, to the stage of a bill. We have not yet reached that stage; there is no bill before the house; this is a committee of ways and means. By and by what this committee does takes the form of a bill; that bill then goes to the committee of the whole, and there I believe it is competent for a private member to move such an amendment as that now moved by my hon. friend from East Calgary. I am not clear whether or not it is competent for a private member to do it at this stage. You, Mr. Chairman, will have to decide that.

Mr. HEAPS: May I ask if at this stage it is in order to move that the duties shall come into effect one year or two years from this date?

The CHAIRMAN: I think such a motion would be in direct conflict with the authority that I have just cited.

Mr. HEAPS: Paragraph 556 states that the members of the house have certain rights.

Mr. ERNST: Read it.

Mr. HEAPS: I will read it. This will be found at page 165 of Beauchesne's Parliamentary Rules and Forms:

> The house can make amendments which diminish the amount of reduction of taxation, or postpone the day when the reduction takes place, although the amendments may increase to that extent the charges proposed to be levied upon the people.

Mr. DUNNING: My hon. friend will notice the expression "the house"; not, "the committee of ways and means."

Mr. HEAPS: Allow me to complete the citation:

> So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill, and is regarded as a question, not for increasing the charge upon the people but for determining to what extent such charge shall be reduced.

Mr. CAHILL: We have not reached the bill yet.

Mr. DUNNING: The citation explains the position as I stated it a few moments ago. Any proposed reduction may be introduced in the committee on the bill.

Mr. ADSHEAD: I may move my amendment in committee on the bill?

The CHAIRMAN: Yes. Shall the item carry?

Mr. CHAPLIN: No, Mr. Chairman. I notice that some 10,000 bushels of beans came from the United Kingdom and paid duty under the general tariff. The total of British importation amounted to 18,000 bushels. The general tariff at that time was 25 cents a bushel; it is now $1.20 instead of 25 cents a bushel.

Mr. DUNNING: Yes.

Mr. CHAPLIN: So that my leader was not very far astray when he referred to the increase in percentage. The increase is made from 25 cents a bushel to $1.20 a bushel, or almost 400 per cent.

Mr. KAISER: It is 480 per cent.

Mr. CHAPLIN: It is almost a 400 per cent increase. So that there is an increase of 300 per cent on the intermediate tariff and 400 per cent on the general tariff. I am a pretty good protectionist, and I could not ask for better than that. I may tell my hon. friends that I will not oppose it.

Mr. MANION: I would like to ask the minister why in this case only he changed the measure from bushels to pounds. The bushel measurement is applied to buckwheat and barley; cornmeal is measured by the barrel and oats by the bushel. The original rating last year was per bushel, but it is changed this year without notice to a poundage basis. There is no note to show that the old rate was figured by the bushel. I would most respectfully ask the minister if the change was made for the purpose of leaving the impression with hon. members on this side of the house that it effected a reduction rather than an increase.

Mr. DUNNING: No.

Mr. MANION: It is rather peculiar that the other commodities are measured in terms of bushels or barrels, whereas in this case, where there is such an immense increase over the rate applicable last year, there is a change. In order to make it more readable it should have been left at the bushel rating, and if that unit of measurement had been continued

the new rates instead of being free, 1½ cents and 2 cents respectively would have been free, 90 cents and $1.20. The publication of these latter figures would have shown a more frank attitude on the part of the minister, and I would ask him why the change has been made from bushels to pounds.

Mr. DUNNING: If my hon. friend would read the evidence which was adduced before the tariff board he would note several reasons. I am sure he will give me credit for believing that he has more intelligence than to be deceived in the presentation of a matter of this kind. I cannot hope to deceive him.

Mr. MANION: Some of the public may be more easily deceived.

Mr. DUNNING: No, I would not say that. As a matter of fact, there are two reasons. The bean growers themselves represented that their product was dealt with on a poundage basis during different processes of manufacture; and in addition to that there is the fact that the various countries of the world do not use the same standards of measurement. A pound is a pound, and it is very easy to calculate by that system.

Mr. MANION: To complete my argument I submit that this commodity should have been entered at the bushel rating.

Mr. McGIBBON: This might be a convenient place, after the attention the minister has given to the bean growers, to give us some reason for the government discarding its past policy and accepting the present one. The country would be very much interested in an explanation of the action of the government in this respect.

Mr. FRASER: How many beans came from Great Britain under the British preference during the year ending March 31, 1929?

Mr. DUNNING: There were 18,000 bushels from Great Britain, of which I believe 8,000 bushels were entitled to preference.

Mr. CHAPLIN: Yes, the minister is correct in that statement.

Mr. DUNNING: I have not the information before me in the form necessary to supply an exact answer for my hon. friend. The hon. member for Lincoln confirms my statement that 10,000 bushels came in under the general tariff.

Mr. CHAPLIN: Yes, the exact amount is 7,714 bushels.

Mr. KENNEDY: What is going to happen to the plank in the Liberal platform which calls for free trade in foodstuffs?

[Mr. Manion.]

Mr. DUNNING: We are going to put it along with a number of planks in my hon. friend's platform.

Mr. CHAPLIN: May I ask the Minister of Finance why it is that in one year he has changed his mind? I have a vivid recollection of his saying one year ago, in reference to beans: Increase the duty on beans for 300 growers?—Nothing doing.

Mr. DUNNING: The hon. gentleman cannot quote that; his contention is not correct, and he knows it.

Mr. FRASER: I think the minister gave me an incorrect answer to my question. Only 547 bushels came in under the British preferential tariff; that is my interpretation of the information at my disposal.

Mr. DUNNING: I did not look at the figures. My hon. friend from Lincoln was kind enough to supply them, and I accepted them.

Mr. FRASER: I would like to have the figures cited correctly. I say that there were only 547 bushels.

Mr. CHAPLIN: I have before me the 1929 returns, and they show that under the treaty 7,714 bushels came in from the United Kingdom.

Mr. FRASER: That is correct.

Mr. CHAPLIN: Valued at $26,277.

Mr. FRASER: And to make the record complete, under the British preference there were 547 bushels valued at $1,491.

Mr. CHAPLIN: That statement also is correct.

Mr. FANSHER (Lambton): In making the increase did the Minister of Finance have in view the raising of additional revenue, or simply increasing the protection of the bean growers?

Mr. DUNNING: As I have stated on numerous occasions, any industry in Canada, whether it be the bean growers, the piano manufacturers, or any other, can appear publicly before the Tariff Advisory Board. Application can be made for either an upward or a downward revision in the tariff, and I am prepared to examine the facts brought out at that public hearing. I ask hon. members to examine those facts, and if they do not think the facts brought out justify the result now before the house, let them vote upon it.

Mr. LADNER: Would the minister accept the recommendations or findings of such a board? Can the public feel that if they go to the expense of presenting a case, the minister will accept the recommendation?

Mr. DUNNING: No government of Canada will ever delegate its primary responsibility, or place it in the hands of an appointed board; the decision must rest with the government, which must exercise its judgment upon the facts. In this case, rightly or wrongly, we have exercised our judgment in respect to the information received and the facts brought out at the public hearings, which are of public record.

Mr. LADNER: Are the tariff adjustments contained in these proposals the findings of the tariff board, or are they instances in which the government, exercising the reservations which have just been referred to, has made alterations differing from the findings of the tariff board? In other words, do the budget proposals express the findings of the tariff board?

Mr. DUNNING: The tariff board is part of the Department of Finance. The officers of the tariff board are officials of the Department of Finance, and the procedure is not and never has been by way of recommendation. The procedure is and always has been a consultation between the minister and his officers with respect to the facts brought out at the public hearings.

Mr. McGIBBON: I think the remarks of the minister justify a little more questioning on our part. To my mind this brings out a very essential fact which overshadows all others. It is this: If either party in this house appeals to the country on a definite policy, are the people entitled or are they not entitled to consider that party seriously? Are these policies to be discarded on their return to office, simply through political expediency? That is the main issue on this budget, whether the government can discard with impunity its professions of the past. That is the question the people of this country are asking to-day.

Mr. FANSHER (Lambton): Then the minister thinks that this measure will be of material advantage to the bean growers? Has he come to that conclusion on the advice of the tariff board? Is that why this change has been made.

Mr. DUNNING: A number of years ago the government announced as its policy the setting up of a tariff advisory board to hear public representations on tariff matters, whether those representations were for upward or downward revision. As a low tariff man I cannot take the ground that all changes in the tariff must be downward, if I have accepted the provision that there shall be an inquiry and if I have taken the position that I am prepared to consider the facts whatever those facts may be. That is the position which this government has taken and which it takes to-day.

So far as the future fortunes of the bean growers are concerned, they are like all other agriculturists. My hon. friend will remember the raisin pool in California. I had occasion to examine it on three different occasions in the hope that it would give some information as to the proper course to follow in respect to other products of the soil. I found this, which has been true with respect to other commodities: The pool definitely raised the price of raisins in California; there is no doubt about that. The effect of raising the price of raisins, in the course of a few years, was to increase materially the acreage of land in California devoted to growing raisins, and when more people got to growing raisins there were more raisins and as a consequence the prices did not remain up. That is an actual fact; we know it to be true. If an industry dependent on the cultivation of the soil is prosperous, more people go into that industry.

Mr. MANION: Is that not true of industry generally?

Mr. DUNNING: It is not so much true of other industries as it is of the agricultural industry.

Mr. COTNAM: When did you become a convert?

Mr. MANION: It suits the minister to talk from the standpoint of the agricultural industry. That applies just as much to any other industry as it does to agriculture. That is the protectionist argument.

Mr. FANSHER (Lambton): I take it, then from the remarks of the minister, that perhaps this measure may work a temporary benefit, but in the long run he is of the conviction that, as happened with the raisin pool, it will work to the detriment of the producer?

Mr. DUNNING: I am not prepared to say that.

Mr. FANSHER (Lambton): Am I to infer that from the remarks of the minister?

Mr. DUNNING: I am not prepared to say that definitely. Somebody over here said that I was a recent convert to this idea. I may

tell him that away back in 1924 at the British Empire Cooperative Conference, when the cooperative consumer societies of Great Britain were urging that the course we were following in Canada as grain growers would have the effect of raising the price of bread in England, my answer was that it is easy to increase the production of breadstuffs; the extension of wheat acreage in a year, given profitable wheat raising, will ensure the production of a sufficient quantity to take it out of our power as growers to force the prices up to unreasonable levels. I have been preaching this doctrine for years with respect to agriculture.

Mr. COTNAM: I was not referring to that as far as the minister was concerned; I was referring to his recent conversion to protection.

Mr. DUNNING: Oh, I am not a protectionist.

Mr. COTNAM: Then what are you?

Mr. KAISER: I should like to ask the Minister of Finance if he can tell us exactly to what we are restricted at this stage of the discussion?

Mr. DUNNING: You will have to ask the chairman.

Mr. KAISER: We cannot move to increase or to decrease the rate of duty at this stage. Are we confined under all these items simply to a discussion and nothing else?

Mr. DUNNING: My hon. friend from East Lambton is getting up again, but before he does so I should like him to answer one question. I understand that beans are grown to some extent in his part of Ontario. Has he any bean growers in his own riding?

Mr. FANSHER (Lambton): Yes, I have.

Mr. DUNNING: Many?

Mr. EVANS: Mr. Chairman, may I ask the minister if the tariff on this item has been raised on the representations of the bean growers themselves?

Mr. DUNNING: Yes.

Mr. ARTHURS: In view of the remarks of the minister with respect to an hon. member to my left, in which he implied that the hon. member had very few if any bean growers in his riding, I should like to ask the Minister of Finance if he has been converted by the Minister of Trade and Commerce. In a recent speech in this house the Minister of Trade and Commerce used almost exactly the same arguments as those which have been proffered by the Minister of Finance. In that connection I should like to ask the minister how many furniture builders he has in his own constituency?

Mr. KENNEDY: The minister said something about the facts being brought out by the tariff board, and I think he also stated that this revision is in the interests of the bean growers. Would he mind telling me what outstanding fact it was that led him to concludue that the increase would be in the interests of the bean growers?

Mr. DUNNING: I listen with some care to representations of farmers in connection with their own industry, and in my judgment the case of the bean growers was well prepared and well presented. I would listen to wheat growers just as well; I have done so many times and expect to do so again.

Mr. MANION: May I just ask the minister one question before he leaves the subject? In view of the fact that the minister has changed his mind in regard to the need of protection, or the amount of protection under this item, is there any reason, just supposing by some accident he got into this same position next year, why he might not change back again?

Mr. DUNNING: I can tell my hon. friend that in the light of the facts put before the tariff board I am content with this decision. I am not going to pretend that five or ten years hence further facts may not be developed at a hearing before the tariff board on the same subject by the same people, which might even convince me that conditions have changed, but I see no immediate likelihood of that happening.

Mr. MANION: Why not say four years hence? There will be another election then.

Mr. DUNNING: I had no reference to that.

Item agreed to.

Customs tariff—49. Buckwheat, per bushel: British preferential tariff, free; intermediate tariff, 12½ cents; general tariff, 15 cents.

Mr. FRASER: What were the imports under that item?

Mr. DUNNING: The total imports were $16,125, all from the United States.

Item agreed to.

Customs tariff—50. Buckwheat meal or flour, per one hundred pounds: British preferential tariff, free; intermediate tariff, 45 cents; general tariff, 50 cents.

Mr. CHAPLIN: What were the imports under this item?

Mr. DUNNING: $4,039.

Mr. CHAPLIN: None from the United Kingdom?

Mr. DUNNING: No.

Mr. CHAPLIN: You do not expect to get any?

Mr. DUNNING: That is possible, but I included this in the fifty items which I specified. It is possible there may be some importations under this item.

Mr. FRASER: Where do the imports come from?

Mr. DUNNING: From the United States.

Mr. FRASER: All the imports?

Mr. DUNNING: Out of a total of $4,000, we received from the United States $3,900 worth.

Mr. FRASER: What other country?

Mr. DUNNING: The amount was so small that it does not appear here.

Item agreed to.

Customs tariff—52. Barley, n.o.p., per bushel: British preferential tariff, free; intermediate tariff, 22½ cents; general tariff, 25 cents.

Mr. FRASER: This is another one of the fifty items?

Mr. DUNNING: Yes, so far as Great Britain is concerned.

Item agreed to.

Customs tariff—53. Cornmeal, per barrel: British preferential tariff, free; intermediate tariff, 22½ cents; general tariff, 25 cents.

Mr. CHAPLIN: This item would be in the same category, you do not expect to have large importations from the United Kingdom?

Mr. DUNNING: As a result of this change, it is possible that considerable importations may come from South Africa. The commodity is called maize in that country, and it must be considered that we imported $234,000 worth from the United States. The proposed change will give a spread of 25 cents per barrel, and although this item may be included in the fifty non-effective items of which I spoke, I am not without hope that some business will develop.

Mr. CHAPLIN: When the duty was 25 cents per barrel, no cornmeal came in from any country other than the United States.

Mr. DUNNING: My hon. friend will notice that the old spread was only 5 cents per barrel as between Great Britain and the United States.

Mr. CHAPLIN: I cannot find out that any cornmeal ever came in from Great Britain.

Mr. DUNNING: Not apart from the United States, that is right.

Item agreed to.

Customs tariff—56. Oats, per bushel: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 10 cents.

Provided that, if any country imposes upon oats produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oats entering Canada from such country.

Mr. MANION: What are the imports of this item, and where from?

Mr. DUNNING: In 1929 we imported 3,036,000 bushels of oats valued at a little over $1,500,000, practically all of which came from the United States.

Mr. KENNEDY: What were the exports?

Mr. DUNNING: The total exports were valued at $10,240,000, of which $4,000,000 went to the United Kingdom, $2,170,000 to the Netherlands, and $1,900,000 to Belgium.

Mr. CHAPLIN: I suppose you are not looking for any increased business with the old country in this item; it is one of the fifty items?

Mr. DUNNING: Yes.

Mr. SENN: What will be the duty under the countervailing clause?

Mr. DUNNING: The United States congress is still discussing the new tariff. The present tariff is 15 cents per bushel—my hon. friend will notice the countervailing clause applies to this item—and the proposed tariff is 16 cents per bushel.

Mr. KELLNER: Did the farmers ask for this change?

Mr. DUNNING: No.

An hon. MEMBER: Who did?

Mr. DUNNING: This is a matter of policy.

Mr. FANSHER (Lambton): Was this matter considered by the tariff board?

Mr. DUNNING: No.

Item agreed to.

Customs tariff—57. Oatmeal and rolled oats, per one hundred pounds: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 60 cents.

Provided that, if any country imposes upon oatmeal or rolled oats produced in Canada, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oatmeal or rolled oats entering Canada from such country.

Mr. CHAPLIN: What is the position in connection with this item? What were the imports from the United Kingdom?

Mr. DUNNING: Out of total importations valued at $46,000, $45,000 worth came from the United States. While this item is in the fifty non-effective items, I am told that there is some hope of importing oatmeal, particularly of the old Scotch variety.

An hon. MEMBER: Haggis.

Mr. CHAPLIN: You would not expect a Scotchman to pay more for it?

Mr. DUNNING: He would get it in free from Scotland; that should be attractive.

Mr. CHAPLIN: Probably they would send it over for nothing.

Mr. LADNER: What are the exports from Great Britain?

Mr. DUNNING: Of a total of $46,000 of imports, $45,000 worth came from the United States.

Mr. LADNER: My information is that the imports from Great Britain amounted to $438.

Mr. DUNNING: That might be. I am not looking for any great trade in this item, but many mickles make a muckle..

Mr. CHAPLIN: What were the exports of oatmeal to the old country?

Mr. DUNNING: I have not those figures for last year.

Mr. MANION: Does the hon. minister know the proposed American duty?

Mr. DUNNING: I understand it is 80 cents per 100 pounds.

Mr. MANION: No change in that.

Mr. DUNNING: No.

Mr. MANION: If the American rate remains at 80, our rate will go up to that figure?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—58. Rye, per bushel: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 10 cents.

Provided that, if any country imposes upon rye produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon rye entering Canada from such country.

Mr. MANION: I suggest to the minister that he would save considerable time if he would give us in connection with each item the imports and their source.

Mr. DUNNING: That was my intention, but there seems to be such a keenness of interest in these matters; someone always gets up to ask a question before I can offer the information.

Mr. CHAPLIN: We were afraid that the Chairman would call out "carried."

Mr. DUNNING: I think you will find he will be fair. The importations of this item amounted to 155,000 bushels valued at $167,000, practically all of which came from the United States. The exports were valued at $10,809,000, of which about $5,000,000 went to the United Kingdom, $2,173,000 to Germany, $1,569,000 to the Netherlands and $1,158,000 to Norway.

Mr. CHAPLIN: This is another item in which you do not expect any trade from the old country?

Mr. DUNNING: Not at all.

Mr. LADNER: According to my examination of the records, the amount imported from the old country was valued at $106.

Mr. DUNNING: It is absurd to retain a duty against rye coming into this country from Great Britain.

Item agreed to.

Customs tariff—59. Rye flour, per barrel: British preferential tariff, free; intermediate tariff, 45 cents; general tariff, 50 cents.

Mr. MANION: What are the imports of this item?

Mr. DUNNING: The imports were valued at $24,000, all of which came from the United States.

Mr. LADNER: None from the United Kingdom?

Mr. DUNNING: It will be noted that the old spread between Great Britain and the United States was quite small, amounting to only 17 cents per barrel. Under the new tariff there will be a spread of 50 cents per barrel in favour of Great Britain.

Mr. ROSS (Moose Jaw): What about the countervailing duties?

Mr. DUNNING: They do not apply to this item.

Item agreed to.

Customs tariff—60. Wheat, per bushel: British preferential tariff, free; intermediate tariff, 12 cents; general tariff, 12 cents.

Provided that, if any country imposes upon wheat produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat entering Canada from such country.

Mr. LADNER: Could we have the imports of this item?

Mr. DUNNING: It may seem absurd, but we imported last year from the United States wheat to the value of $729,000.

Mr. LADNER: And $12 worth from Great Britain.

Mr. DUNNING: It is absurd to have a tariff of 8 cents per bushel against wheat coming in from Great Britain, and that is the reason it is being put on the free list. The proposed United States tariff is 42 cents per bushel, and the countervailing provision will apply in this instance.

Mr. WHITE (London): Is not some of this wheat ground in bond and exported?

Mr. DUNNING: This item does not cover wheat flour; it is wheat which is subject to duty.

Mr. WHITE (London): It might have been ground in Canada and then exported and the duty refunded.

Mr. DUNNING: Had it been treated in that fashion it would not appear as wheat which had paid duty.

Mr. BROWN: Did any wheat come in which paid duty?

Mr. DUNNING: The importations last year were valued at $729,000.

Mr. CAMPBELL: Under the old tariff this commodity was covered by two separate items. Under the one item, number 60, it came in free.

Mr. DUNNING: There was in the old wheat item a countervailing provision. One would think, to hear some of the speeches on the budget, I had invented countervailing duties. The old item was:

Wheat flour and semolina when imported from a country which imposes a customs duty on wheat flour or semolina, manufactured in Canada, per barrel: 30 cents; 50 cents; 50 cents.

That was the tariff brought into effect, by the way, on June 6, 1919. That was a countervailing tariff.

Mr. CHAPLIN: That is a fixed duty. There is nothing countervailing about it. The duty is absolutely fixed; it does not increase or decrease with the duties of other countries.

Mr. DUNNING: To my mind it is a restricted countervailing tariff, for the reason that if another country does not impose a duty on a like article coming from Canada, this item does not apply.

Mr. ERNST: They cannot raise our duty. It is not a countervailing duty.

Mr. DUNNING: It is so regarded. Under the old item we imposed a duty of only fifty cents no matter how high the other country's duty went. Under the countervailing proposals now before the committee on various items, our tariff is fixed at what we consider proper, but in addition to that our tariff goes up or down as the case may be.

Mr. LUCAS: Is the minister not quoting from No. 61?

Mr. DUNNING: I am sorry; I should explain to my hon. friend I quoted the wrong item, but the same principle applies. Wheat is free under the old tariff, but when imported from a country which imposes a customs duty on wheat grown in Canada, the rate is eight cents, twelve cents and twelve cents. That is the existing countervailing provision on wheat.

Mr. ERNST: That is not countervailing; it is a fixed tariff.

Mr. DUNNING: It is a tariff which says that we are willing to lower our duty if the other country does the same.

Mr. LADNER: But not increase it.

Mr. DUNNING: Yes, because we state that wheat from the United States is free unless they impose a duty against our wheat. If they do so, then our duty will be eight cents, twelve cents and twelve cents, no matter what duty they impose on our wheat.

Mr. MANION: But the United States tariff at the present moment is forty-two cents, and if these are countervailing duties our tariff would be forty-two cents as well.

Mr. DUNNING: Perhaps my hon. friend can find another for it. I know our tariff is termed in the trade and between the two countries a countervailing tariff.

Mr. ERNST: A fixed provisional tariff.

Mr. LADNER: I have before me tariff schedules 60a and 61a. They are maximum rates which come into force for entry into this country in the vent of the other country placing a tariff on those commodities, but it does not permit our rates increasing beyond those maximum rates in the event of the other country increasing their tariff. In other words we have a high tariff but they have higher and higher tariffs.

Mr. ERNST: Now it is a brick-for-brick tariff.

Mr. DUNNING: We are willing to co-operate with the United States in pulling down the wall.

Mr. ERNST: To a certain fixed minimum.

Mr. DUNNING: Under section 11 of the customs tariff, we also have a provision whereby we can reduce the tariff below our rate.

Mr. FANSHER (Last Mountain): The old item, I suppose, was not considered by the board?

Mr. DUNNING: No.

Mr. FANSHER (Last Mountain): This is a matter of government policy.

Mr. DUNNING: Yes.

Mr. FANSHER (Last Mountain): What is that policy? Retaliation or what?

Mr. DUNNING: The policy with respect to wheat is to say more effectively what section 11 of the customs tariff has said for a number of years. For a number of years section 11 has made what is virtually a standing offer with regard to certain commodities.

Mr. ERNST: Will the minister read the section?

Mr. DUNNING: I am not sure if it is with respect to wheat.

Mr. ERNST: I do not think it is; I think it is a general gesture of good will.

Mr. DUNNING: Section 11 reads:

If the President of the United States, under authority of the United States Tariff Act of 1922, determines to reduce the duties imposed by such act on the following articles, that is to say:—cattle; wheat; wheat flour; oats; barley; potatoes; onions; turnips; hay; fish as enumerated in paragraphs—

And then it gives the paragraphs.

—the governor in council may by order in council make such reductions of duties on such articles imported into Canada from the United States as may be deemed reasonable by way of compensation for such reductions on Canadian products imported into the United States.

That provision, which existed in our law since 1923, remains, but in addition we say in the tariff that while our rate of duty on wheat with respect to the United States remains at twelve cents, there shall be a countervailing provision upward and we have in addition the provision to enable us to meet them in any reductions.

Mr. STEWART (Leeds): Have we not heard it in the house time and again that it is impossible to protect the western wheat grower?

Mr. DUNNING: It is.

Mr. STEWART (Leeds): Then why this duty? Is this not a contradiction of the doctrine we have heard enunciated for years?

Mr. DUNNING: No.

Mr. STEWART (Leeds): What is it? Is it retaliation? Is it a countervailing duty? It seems to me to be absurd to give people protection when they do not want it. When they have said in the house that they do not need it; that it is impossible to help them, why insert this provision in the tariff?

Item agreed to.

Customs tariff—61. Wheat flour and semolina, per barrel: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 50 cents.

Provided that, if any country imposes upon wheat flour or semolina produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat flour or semolina entering Canada from such country.

Mr. MANION: Will the minister give the imports under this item?

Mr. DUNNING: In 1929 Canada imported wheat flour valued at $540,000, of which $539,000 worth came from the United States.

Mr. LADNER: How much from the United Kingdom—$14?

Mr. DUNNING: Practically nothing. This is not an article we are likely to get from Great Britain. It is really absurd to have a tariff on it from Great Britain.

Mr. MANION: I notice that the duty on wheat flour under this item is fifty cents a barrel, but the duty going into the United States is at the present time $2.04 a barrel.

Mr. DUNNING: No. The present rate per 100 pounds going into the United States is seventy-eight cents, and their proposed rate is $1.04.

Mr. MANION: So that this tariff will go up to $1.04 automatically?

Mr. DUNNING: Unless the United States change their tariff?

Mr. KENNEDY: Has the minister a statement regarding exports of flour to the United States?

Mr. DUNNING: The figures are as follows:

| Year | Flour of Wheat Barrels | Value |
|---|---|---|
| 1929.. .. .. .. .. .. .. | 1,980 | $12,600 |
| 1928.. .. .. .. .. .. .. | 5,921 | 36,186 |

Mr. WHITE (London): Would the minister give the figures for 1919 and 1920?

Mr. DUNNING: I am sorry I have not those figures here.

Item agreed to.

Customs tariff—63a. Rice bran: British preferential tariff, free; intermediate tariff, 17½ per cent; general tafiff, 17½ per cent.

Mr. CHAPLIN: Why is this item here?

Mr. DUNNING: That is a question that I asked myself, because there are no imports at all under this item, but I am advised that it is a commercial commodity and ought to have a place in the tariff because there is no other description which could be applicable to it.

Mr. McGIBBON: What is it used for?

Mr. DUNNING: I do not know that either.

Item agreed to.

Customs tariff—67. Macaroni and vermicelli, per one hundred pounds: British preferential tariff, free; intermediate tariff, $1; general tariff, $1.25.

Mr. LADNER: What are the imports?

Mr. DUNNING: The total imports were $265,000, of which $246,000 came from the United States.

Mr. LADNER: How much from the United Kingdom?

Mr. DUNNING: Hardly any.

Mr. LADNER: Only $71.

Mr. DUNNING: It must be borne in mind that under the new rates, instead of a spread of 50 cents between the United Kingdom and the United States there will be a spread of $1.25 by making imports from Great Britain free.

Mr. CHAPLIN: What I do not understand about the matter is this. We have factories in this country making macaroni. In the district from which I come there are at least three firms making macaroni of a good quality, an article that is well liked. These firms employ quite a few hands. Why should we make this article free to any country?

Mr. YOUNG (Weyburn): People might like another brand.

Mr. CHAPLIN: Yes, anything to put a few more people out of a job. That is the kind of brand you want. I cannot see any reason at all for making it free. There was no demand for the import of macaroni that I ever heard of, and there was none of any moment coming in.

Mr. DUNNING: There was an import of over $265,000.

Mr. CHAPLIN: Is not that enough without making it possible for larger quantities to come in free? There is enough coming in now without reducing the duty in another direction and opening up another channel through which importations can come in.

Mr. FRASER: Has the minister any figures as to the production of macaroni and vermicelli in Canada?

Mr. DUNNING: I have none available here. There has been no complaint.

Mr. CHAPLIN: Was this matter discussed by the tariff board?

Mr. DUNNING: No.

Mr. CHAPLIN: It never was, and yet a minute ago the minister said that a certain matter had come before the tariff board and we must take notice of the board's recommendation. Here is a matter that has not come before the tariff board. The people engaged in the business have no chance for their life at all—no chance to make an explanation of their position.

Mr. DUNNING: They have made no complaint yet.

Mr. CHAPLIN: How do they know about it?

Mr. DUNNING: My hon. friend would no doubt tell them.

Mr. CHAPLIN: That is one reason why I want to have the minister make an explanation as to why this tariff change was made.

Mr. COTNAM: If this item did not come before the tariff board, are we to infer that this change represents the government's policy?

Mr. DUNNING: Yes.

Mr. McGIBBON: I think we should have a little more information. I have a factory in my riding. Why should they be subjected to unnecessary competition? What principle is

the minister going on? Has the price been too high in this country? Why does he want to restrict the amount of business which this firm can do?

Mr. DUNNING: The producers have waited upon the officers of the department since this item became public, and have made no complaint about it. They suggested, however, that they would like a countervailing duty against the United States.

Mr. McGIBBON: Did the minister promise to give it to them?

Mr. DUNNING: No.

Mr. McGIBBON: Why not?

Mr. FRASER: Would the minister take it into consideration now?

Mr. DUNNING: Not now.

Item agreed to.

Customs tariff—69. Hay and straw, per ton: British preferential tariff, free; intermediate tariff, $1.75; general tariff, $2.

Mr. MANION: What are the imports?

Mr. DUNNING: The imports amounted to $83,910, all from the United States. I never expect to see hay or straw brought in from Great Britain. It is an absurdity to have a tariff of $1.65 against hay coming from Great Britain, because it never comes in. This change is to wipe out an absurdity.

Mr. LADNER: If it never comes in, what is the difference?

Mr. DUNNING: No difference at all.

Mr. LADNER: Is it not simply to make a gesture before the public that there is a reduction in the British preference, when actually the reduction is a farce?

Mr. DUNNING: No. I deliberately stated in the budget speech exactly what was in my mind and kept clear of the suspicion which my hon. friend imagines in his own mind. I made the matter very clear in my budget speech.

Mr. SIMPSON: What is the United States tariff against Canadian hay?

Mr. DUNNING: The present tariff on hay going into the United States is $4, and one of their tariff proposals is to increase the duty to $5.

Mr. SIMPSON: Has there been any request for an increase in the Canadian tariff on hay?

Mr. DUNNING: I know of none.

[Mr. McGibbon.]

Mr. FRASER: Is this a countervailing duty?

Mr. DUNNING: No.

Mr. FRASER: Why not?

Mr. DUNNING: My hon. friends are getting quite an affection for countervailing duties as we go along.

Mr. BROWN: The finance minister did not take into consideration the suggestion that we have heard in the last three or four years that this duty should be raised.

Mr. DUNNING: I think my hon. friend from Macleod is the only one who has made any suggestion of that kind to me recently.

Mr. MANION: Is this one of the items which the minister mentions in his budget speech as being one of 589 free items under the British preference?

Mr. DUNNING: In the total, yes, but I qualified that statement, as my hon. friend knows, by stating that there were some fifty items of a non-effective character.

Mr. MANION: Some place in his speech the minister may have done so, but let me read this pragraph, from page 1631 of Hansard, where the Minister of Finance says:

When this revision is completed the Canadian customs tariff will consist of 1,188 items of which 589 will be free under the British preference.

Hay is one of them. He goes on:

The changes proposed have the effect of greatly increasing the British preference in the Canadian market.

That is the complete paragraph that I have read. The minister may protest all he wishes, but without a doubt he meant the people of this country to think that there were 589 free items under the British preference every one of which would be of some benefit to Canada. He makes no reference at all in that paragraph to certain items that would not affect our trade, but some place in his speech—

Mr. DUNNING: Right close by.

Mr. MANION: I do not see it. It certainly is not in the paragraph that I have read.

Mr. DUNNING: I will read it to my hon. friend. I said:

There have existed in our tariff, for years—

Mr. MANION: What page is that?

Mr. DUNNING: I am not quoting from Hansard, but from a printed copy of the budget speech.

Mr. ERNST: How many pages is that from the other page?

Mr. DUNNING: In the printed copy I have it is on the same page. I said:

There have existed in our tariff, for years, many items carrying rates of duty in the British preferential column, but relating to commodities in which none of the various British countries has been an effective trader. Some of these items represent materials or articles in which, for the present at least, British countries may continue to be more or less ineffective factors; others are clearly of a nature in which a wider preference may be of real value in promoting inter-empire trade. We have decided, therefore, to make free under the British preferential tariff a further group of fifty items of this class.

That is in the paragraph immediately preceding those headed "countervailing duties," and following those paragraphs is the summary which my hon. friend has just read.

Mr. MANION: It is on the preceding page, it is a full page removed from the paragraph I read. When he quotes the 589 items which he gives as free under the British preferential tariff, he adds:

The changes proposed have the effect of greatly increasing the British preference in the Canadian market.

The object is obvious and unless my hon. friends are extreme in their views—and of course they are—it is very plain what they meant.

An hon. MEMBER: Save it up for the campaign.

Mr. MANION: We are pointing it out to let the public know about the humbug.

Mr. DUNNING: I want to say a word on "humbug." We have just listened to some of it.

Mr. MANION: My hon. friend can speak as an authority on it. Go ahead.

Mr. DUNNING: My hon. friend read this, but he was very careful not to read what immediately followed it; he read this:

When this revision is completed the Canadian customs tariff will consist of 1,188 items of which 589 will be free under the British preference. The changes proposed have the effect of greatly increasing the British preference in the Canadian market.

The importance of this enlargement of the preference is indicated by the fact that Canada imported last year over two hundred million dollars' worth of the commodities on which we are now increasing the British preference.

Mr. MANION: Well, Mr. Chairman, the Minister of Finance has just shown us the type of humbug he is putting over. He admits here to-night that the $200,000,000 worth referred to was not British preferential goods at all, but represented the total imports, including the items on which the tariff was changed.

Mr. DUNNING: Oh, no.

Mr. MANION: He did admit it, not once but half a dozen times. The minister was asked what the $200,000,000 referred to. He said it referred to the goods from all the world that were affected by these changes in the tariff.

Mr. DUNNING: Positively not.

Mr. MANION: What does it refer to then?

Mr. DUNNING: What I say to-night is what I said in the budget speech. Canada last year imported over $200,000,000 worth of the commodities on which we now are increasing the British preference; that is, the commodities on which the British preference is by this tariff revision increased, of those commodities—not all the commodities touched in the tariff, but the commodities on which there is a definite increase in the British preference—Canada imported last year, $200,000,000. I stated it moderately; it is more than $200,000,000 worth by far.

Mr. MANION: I accept the statement now made, Mr. Chairman, but the minister said that we imported $200,000,000 worth from all the world, not from the British countries.

Mr. DUNNING: I never said in the budget speech that the $200,000,000 worth was imported from the British countries.

Mr. MANION: But the minister implied that—

Mr. DUNNING: Not at all.

Mr. MANION: —and we are going to increase the British preference on such items as wheat, barley, buckwheat, hay, cut flowers, and other lines of goods that we do not import and never will import.

Mr. DUNNING: I have listened to hon. gentlemen opposite squawking on various items we have dealt with, because there is a possibility, forsooth, that some day they may get in here. Before we get through with this revision I have no doubt those hon. gentlemen will be complaining in a sense exactly opposite to my hon. friend's objection. They will be complaining because goods may come in from Great Britain under some of the items we are considering. If goods are to be admitted, that is wrong; if they are not to be admitted, that is wrong too. I might re-

peat once more my words—and the Canadian people understood them correctly, if my hon. friends opposite did not:

> The importance of this enlargement of the preference is indicated by the fact that Canada imported last year over two hundred million dollars' worth of the commodities on which we are now increasing the British preference.

Surely that is plain enough.

Mr. STEWART (Leeds): Did you not say in the budget speech that we imported that amount from all countries?

Mr. DUNNING: Never. The speech is on record in Hansard. My hon. friend is attaching to it the meaning he wants to attach to it instead of the meaning of the plain English of the words.

Mr. MANION: And, Mr. Chairman, the meaning that the minister expected us to attach to the words. The minister says we will be complaining both ways. Let me tell him that this is what we are complaining of. We do complain of importations from Great Britain or from any other country in the world that will interfere with Canadian production and Canadian work and Canadian wages. On the other hand, we do object to the minister or anybody else putting out a list of 589 articles to which he is extending the British preference as if this would mean a great benefit to the British Empire, when as a matter of fact half of those commodities we will never import from Great Britain or any other part of the empire and never have.

Mr. DUNNING: My hon. friend says we will never import half. I have admitted fifty in the budget speech. I have wiped out fifty absurdities. Now my hon. friend will kindly watch as we go along as to the rest of that "half."

Mr. MANION: It will be pretty near a half. We have checked the list up and those articles do not mean anything.

Mr. ARTHURS: The minister admits that fifty of these articles will have no immediate effect on the imports from Great Britain.

Mr. DUNNING: May not have. Perhaps I had better read that part of my budget speech again to my hon. friend.

Mr. ARTHURS: We will take it as read. What number of those items were included in this $200,000,000 worth?

Mr. DUNNING: Not one of them. I have stated it here half a dozen times.

Mr. ARTHURS: Hold on.

[Mr. Dunning.]

Mr. DUNNING: I have stated here a half a dozen times that in calculating the $200,000,000 worth of business which is affected by the widening of the British preference I left out of account United Kingdom importations in addition to the fifty items which I admit are not effective. I repeat, I have stated that a half a dozen times. Perhaps my hon. friend will remember it.

Mr. KENNEDY: With regard to this $200,000,000 worth of imports, has the minister the figures for 1929, either the calendar or the fiscal year, showing the percentage of the $200,000,000 worth brought in under the British preference, the intermediate tariff and the general tariff?

Mr. DUNNING: I do not deal in percentages. I deal in actual facts.

Mr. KENNEDY: All right, let us have the actual facts.

Mr. DUNNING: As to the actual facts, I shall give them and make them a matter of record for my hon. friend with respect to each item as it arises.

Mr. KENNEDY: You cannot give the totals?

Mr. DUNNING: The totals are made by a count of the items. I have not the aggregate,

Mr. KENNEDY: You had the totals when you said $200,000,000 worth.

Mr. DUNNING: It was made up on an adding machine, of course.

Mr. KENNEDY: It would not be hard to give those figures.

Mr. DUNNING: The figures are more than $200,000,000.

Mr. KENNEDY: What is the proportion of the $200,000,000 of imports in 1929 coming in under the British preference, the intermediate tariff and the general tariff? Have you those figures for the last year of which there is any record?

Mr. DUNNING: We have not the figures divided by the various columns of the tariff. We have not them made up. But may I tell my hon. friend that the object is to endeavour to divert trade which now comes to Canada from the United States so that it may come from Great Britain or the British Empire.

Mr. KENNEDY: I agree with that, that is all right; but if we had the amount of each item coming from Great Britain under the British preference, and from the United States or any other country under the general

tariff, it would be very useful information. It is a very easy matter to total up the various items with an adding machine and give us the amounts that came in under the British preference, the intermediate tariff, and the general tariff.

Mr. DUNNING: I have not the information in that form.

Mr. KENNEDY: Can you get it?

Mr. DUNNING: It probably is possible to get it; I cannot say offhand. In fact the total figures I am giving under each item would probably bring us to that result, particularly when we come to the larger items. But I will see what can be done along that line. I may tell my hon. friend, however, that when he gets the information in bulk that way he will be in no better position to determine how much of that trade can be switched to Great Britain. There will come before this committee many items of which we are importing little or nothing from Great Britain. We were assured by the British Federation of Industries and by others who appeared before the tariff board at its various hearings that Great Britain can trade with us if we will give her the chance; we are trying to give her the chance. My hon. friends are always looking for some general maxim to apply to all commodities. No such maxim exists. Different types of the same commodity follow different channels of trade. One type of a particular commodity could be switched from the United States to Great Britain whereas another type of the very same commodity, for technical reasons connected with its manufacture, very frequently could not be switched. The supply of raw material or any one of a dozen other things must be considered. My hon. friend has asked me to generalize; I shall endeavour to get that general information for him, but I hope members of the committee will bear in mind that my staff is busy with these matters and it is possible to ask for information which takes more time than we have at our disposal, having regard to the immediate necessities.

Mr. CHAPLIN: For my part, I am quite satisfied to have the minister particularise; I do not want the information in a general way. In his address on the budget he was pleased to speak in general terms and at the present time I would ask him for particulars. Up to the present I do not know of one item in connection with which the minister has come out flat-footed and said that he expects to get a certain amount of British trade.

Mr. DUNNING: Yes, I have said that.

Mr. CHAPLIN: I have gone over these items carefully and I cannot find one in which the minister has so committed himself. I want to be informed as we go along; I had and still have some grave doubts about yeast. I certainly do not agree with the minister's conclusions as to that item.

Mr. McGIBBON: This evening I have asked the minister on two occasions if his department has estimated the amount of business which would be switched. Probably he did not understand my question, but in reply he said that he had made a statement in the budget speech. I wish to ask him at what place in his speech he made such a statement.

Mr. CHAPLIN: Regarding the $200,000,000.

Mr. DUNNING: I think the hon. gentleman is expecting a little too much detail.

Mr. McGIBBON: I want to know the amount that will be switched from the United States to Great Britain, and I think the minister should give me an answer.

Mr. DUNNING: I have answered that question at least half a dozen times. We have enlarged the British trade with respect to $200,000,000 worth of imports.

Mr. McGIBBON: The hon. gentleman apparently does not grasp my point. He told me that he had given the information, and I asked him on what particular page of Hansard it is to be found.

Mr. DUNNING: I did not hear the remark of the hon. gentleman.

Mr. McGIBBON: The minister told me twice that he had estimated the amount of business which would be switched from the United States to Great Britain.

Mr. DUNNING: No, I did not say that.

Mr. McGIBBON: I beg to differ with the hon. gentleman; he told me that on two occasions.

Mr. DUNNING: I have refused entirely to estimate what will be switched. One can only state the opportunities which exist. If my hon. friends can tell me what degree of initiative and what degree of service the British industrialists will be willing to devote to it, if they will tell me what sacrifices the United States industrialists are willing to make, an estimate might be attempted. To attempt to say that so many million dollars' worth of trade will definitely be diverted from

the United States to Great Britain would not be an estimate but would be an intelligent guess. We have earnestly tried to create trade opportunities, and in the opinion of the department that is all that can be done.

Mr. ARTHURS: I understood the hon. minister to say that his department had had the advice of members of British boards of trade and British manufacturers who had appeared before the tariff commission in Canada. In how many instances did British manufacturers appear before the Canadian board?

Mr. DUNNING: Directly or indirectly, there were representations made on ten or twelve occasions.

Mr. ARTHURS: The minister said they appeared before the board.

Mr. DUNNING: Yes, they did; I cannot however give the exact number of occasions.

Mr. ARTHURS: Would it be one or two occasions?

Mr. DUNNING: More than that. In a number of cases representations were made, and those representations are on record.

Mr. ARTHURS: They might have come from the United States or from Honolulu.

Item agreed to.

Customs tariff—79b. Flowers, natural, cut, whether in designs or bouquets, or not: British preferential tariff, free; intermediate tariff, free; general tariff, 25 per cent.

Provided that, if any country imposes on such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.

Mr. DUNNING: In 1929 the imports were valued at $254,000, almost all of which came from the United States. In the same year Canada exported $206,000 worth, and most of it went to the United States.

Mr. LADNER: The trade returns show that imports from the United States in 1925 were valued at $135,000. That would indicate that there has been an increase from $135,000 to $254,000. The imports from the United Kingdom in 1929 were valued at $93.

Mr. DUNNING: Yes.

Mr. LADNER: I suppose this is another item which is not affected. It would seem that the tariff has been increased from 17½ to 25 per cent. I am not objecting to it, but I ask the reason for the increase.

[Mr. Dunning.]

Mr. DUNNING: Hearings before the tariff board prompted the increase, and quite recently there has developed the probability of Bermuda entering the trade under the free section. She would be in a position to supply Canada with cut flowers during the off season. With modern transportation facilities the flowers could easily be imported. In fact, there is not much reason why they should not be transported across the Atlantic, except that it is not sound economically. From the West Indies, and Bermuda in particular, it will be possible to get cut flowers into Canada.

Mr. LADNER: Does the minister think it is fair to allow these flowers to come in duty free in competition with our own production, whereas in some of the other items, such as beans, there has been a protective increase to the extent of 400 per cent? I am asking for nothing but a fair, common sense adjustment.

Mr. DUNNING: The people in Canada who are familiar with this business are very well satisfied.

Mr. LADNER: They have expressed their approval?

Mr. DUNNING: Yes.

Mr. MANION: In other words, the Canadian people in this business do not expect much competition from the British Empire. That would seem to contradict the minister's statement regarding the West Indies.

Mr. DUNNING: They are prepared to meet the competition.

Mr. MANION: I venture to predict that there will be very few flowers shipped from the West Indies to Canada. By the time they reached Halifax they would be two or three days old and they would not be of much value, nor would they offer very keen competition to the native growers. Is this one of the fifty items?

Mr. DUNNING: Yes.

Mr. MANION: The minister places it in the category of those items in connection with which he expects no change.

Mr. DUNNING: In connection with the fifty items I have said that a small trade may develop. I did not count it, that is all. In explanation—

Mr. MANION: I think you were right the first time.

Mr. DUNNING: In explanation may I say that there is a possibility of developing trade.

I think there are possibilities for a limited trade, and because I think that, I have said so.

Mr. CHAPLIN: May I inquire if the minister has looked into the matter of the punctuation of the clause relating to countervailing duties?

Mr. DUNNING: I have not settled that point with the department, but we shall look into it. We have plenty of time between now and the time the bill is presented.

Mr. FRASER: May I ask the minister the United States rate of duty on this item?

Mr. DUNNING: It is 40 per cent.

Item agreed to.

Customs tariff—83. Potatoes, including sweet potatoes:
(a) In their natural state: British preferential tariff, free; intermediate tariff, free; general tariff, free.
(b) Dried, desiccated or dehydrated: British preferential tariff, free; intermediate tariff, free; general tariff, free.
Provided that, if any country imposes a duty on potatoes grown or processed in, and imported from Canada, an equal duty shall be imposed on potatoes coming into Canada from such country.

Mr. MANION: I would ask the minister for details.

Mr. DUNNING: Imports of potatoes into Canada in 1929 included: Potatoes, dutiable and free, $134,000; potatoes n.o.p., dutiable and free, $540,000; potatoes, dried, desiccated, or otherwise prepared, dutiable and free, $4,000. In the same year exports were valued at $3,083,000, of which $1,140,000 went to the United States, $1,506,000 to Cuba and $145,000 to Newfoundland. There is also a slight change in the wording. Under the present tariff item there is another of these modified countervailing provisions; that is to say, potatoes entering Canada are now free, provided the other country does not have a duty against us. If the other country has a duty then our duty goes to 20 cents under the preferential, 35 cents under the intermediate and 35 cents under the general tariff. That applies to countries that impose a customs duty on potatoes grown in Canada.

Mr. MANION: The minister did not say where the imports were from.

Mr. DUNNING: Almost entirely from the United States. I have not in my notes any imports from Great Britain; they are not of sufficient importance to be noted as coming from anywhere else.



Mr. RYERSON: I should like to ask the minister to what he refers when he mentions dutiable and free sweet potatoes. He gave the figures as being on dutiable and free imports. What does he refer to? I do not understand that there are any sweet potatoes coming in free.

Mr. DUNNING: I will explain to my hon. friend as I read the item. Item 83 in the old tariff is for potatoes, n.o.p., and potatoes dried, desiccated or otherwise prepared, n.o.p., They are free from any place, under that item. Under item 83a, if they are imported from a country which imposes a customs duty on potatoes grown in Canada, the duty is 20 cents under the British preference and 35 cents under the intermediate and general tariffs. Then we have item 84, which includes potatoes dried, desiccated or otherwise prepared when imported from a country which imposes a customs duty on Canadian potatoes, so my hon. friend will see that in each case there is a free item and what I call a countervailing item in connection with the same thing, so that some of these articles come in free and some are dutiable.

Mr. FRASER: Now you have put them all on the free list?

Mr. DUNNING: In the same manner as they were before, with a countervailing duty.

Mr. MACDONALD (Kings): Previously we had a duty of 35 cents per hundred pounds against potatoes coming from the United States. Under this tariff they are now free.

Mr. DUNNING: No; under the old tariff potatoes from the United States were free provided that the United States let in our potatoes free also, but if the United States imposed any tariff—which they did—then our duty against them became 35 cents. The only difference between the present proposal and the existing tariff is that instead of levying a limit of 35 cents on potatoes coming into Canada, when another country imposes a duty against Canada the duty goes up in accordance with the duty levied against our product.

Mr. PECK: May I ask what the duty is against our potatoes going into the United States?

Mr. DUNNING: The present duty is 50 cents per hundred pounds, and in the bill of the United States Senate the proposal is to make it 75 cents. Then on dried potatoes, which also are included under this item, the duty is 2¾ cents per pound, and apparently it is not proposed to change that in the Senate bill.

Mr. RYERSON: Could the minister tell me what the duty is on sweet potatoes entering the United States?

Mr. DUNNING: There is no distinction.

Mr. RYERSON: Then sweet potatoes coming in here now will carry that same duty?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—84. Onions, in their natural state, including onions grown with tops, shallots, and onion sets, the weight of the packages to be included in the weight for duty: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than three-quarters of a cent per pound.

Mr. ADSHEAD: Would the minister tell us why the package is included in the weight for duty? Are you going to charge three-quarters of a cent per pound, or 30 per cent, on wood?

Mr. BENNETT: Of course; this is a low tariff government.

Mr. DUNNING: Uniformity of practice, either the one way or the other, should be followed. Formerly some of these vegetable items included the weight of the package and some did not, and it was thought wise to make the practice uniform. However, before going on with this item I want to say that I have had one or two conferences and my officers have had several conferences with the growers in an endeavour to meet what was expressed by a number of members of the house on both sides, the desirability of limiting the minimum specific rate in these vegetable items to a season, if agreement possibly could be secured—

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. DUNNING: —if agreement possibly could be secured among the growers as to the seasons which would be applicable reasonably across Canada, having regard to the difficulties which developed in this connection when the hearing was held before the tariff board. As we come to the items concerned I shall offer amendments which I will ask my colleague the Minister of Agriculture to move, stating a period of the year during which the exact specific minimum mentioned in the schedule will be operative. The first of these items will be No. 87, I think.

Mr. BENNETT: Yes. We have not come to that yet.

[Mr. Dunning.]

Mr. DUNNING: No, we have not come to it yet, but I am making the general statement with respect to vegetables. I do not think anyone can say with certainty, even yet, that these seasons will suit everybody. The growers have been very desirous of obtaining these increases; as far as they were concerned, of course they were quite satisfied as growers to have the season extend over the whole year in all cases, but they did not desire, from the point of view of their own business, that it should do so, and they have cooperated wholeheartedly in an endeavour to reach agreement among themselves as to what, having regard to the information they now have about the various seasons, the proper length of time should be. As we proceed, I shall arrange for the moving of the necessary amendments.

Mr. McGIBBON: Probably the minister could explain something to me. I quote now from his speech in this house two years ago, when he said:

Why, we had a plea for the onion growers. There are three hundred of them in Canada, and my hon. friends opposite want to tax all the people of the Dominion for the benefit of those three hundred onion growers.

Would the minister be good enough to explain what light he got on the subject?

Mr. DUNNING: Yes, I am quite prepared to say what I have said before this evening, that I am prepared to consider an individual situation in the light of the facts developed before the tariff board.

Mr. BENNETT: The facts have not changed.

Mr. DUNNING: No, these facts have not changed. I am unlike my hon. friend; I am not infallible.

Mr. BENNETT: Why does the hon. minister state something which is so obvious?

Mr. DUNNING: That works both ways.

Mr. BENNETT: I do not think anything could be quite so obvious as the hon. gentleman's attitude in this case. No one can accuse him of being infallible in regard to tariff matters. No one who has read his speeches on the budget and at Regina can say that he is unlike Galileo, who, after he recanted, said: "The earth does move, though." I think the hon. minister is in the same position. In the meantime, what about onions?

Mr. DUNNING: I have not recanted.

Mr. BENNETT: Then this is a farce, the hon. minister is only putting it on to get past an election and then he will change. Apparently there is no reality in it after all.

Mr. ADSHEAD: The minister has not given an answer to my question as to why he includes the weight of the package in the duty.

Mr. DUNNING: That is a matter of administration. Perhaps the Minister of National Revenue could tell my hon. friend, but I do not see how it could be administered in any other way.

Mr. ADSHEAD: Would it not be possible to find the tare of a package?

Mr. HEAPS: When the minister was good enough to state to the house he was going to change the tariff on vegetables and—

Mr. DUNNING: I did not say I was going to change the tariff at all.

Mr. HEAPS: The hon. minister stated that he was going to change it from an annual tariff—

Mr. DUNNING: To make it apply during certain months.

Mr. HEAPS: Referring to the question asked by the hon. member for East Calgary, I would direct the attention of the minister to the fact that in many cases the packages weigh more than the vegetables themselves. Take for example a case of lettuce packed in ice; the weight of the package and the ice would be more than that of the lettuce.

Mr. ROSS (Moose Jaw): When was a duty ever charged on ice?

Mr. SPENCE: This year.

Mr. HEAPS: The present schedule calls for a duty on the package and the ice.

Mr. ROSS (Moose Jaw): Did the hon. member pay it?

Mr. HEAPS: I would like to know if the minister could not arrange to have this duty collected on the vegetables alone, and not on the packages in which they are shipped.

Mr. MANION: What were the imports of onions?—they are rather hard on the eyes.

Mr. DUNNING: I must confess I am just a little tired.

Mr. BENNETT: Onions always did bring tears.

Mr. DUNNING: The imports of dutiable onions were valued at $697,000, and imports to the value of $62,000 came in free from Australia and New Zealand. We exported to New Zealand $28,000 worth and the importations from that country were of the same value.

Mr. BENNETT: Those were covered by the treaty.

Mr. DUNNING: Yes.

Mr. HEAPS: The minister has not answered the question I put to him. I want to know if it would not be possible to devise some way to separate the weight of the vegetables from the container.

Mr. EULER: It would be extremely difficult to administer the act; in fact I think it would be absolutely unworkable. I dare say it would be physically possible to estimate or actually arrive at the weight of the package or container, but even the containers vary in weight. If the weight of the package were not included in the duty, then the rate would have to be raised.

Mr. BENNETT: The protection would not be ample.

Mr. SPENCE: The hon. minister should know that duty has never been paid on the weight of the package, it was an ad valorem duty. What is the use of talking like that? The minister does not seem to know his job.

Mr. EULER: My hon. friend knows very well that it was ad valorem or specific; now we have both.

Mr. SPENCE: Yes, that is right.

Mr. CHAPLIN: When the hon. minister brought down this tariff he complimented his clerks and the chairman of the board by saying: We have an orderly tariff.

Mr. DUNNING: No, I did not say that; perhaps I had better quote what I did say.

Mr. BENNETT: The word was "orderly."

Mr. CHAPLIN: I mentioned it at the time because it put me in mind of the marketing which was being done in the northwest. I am very glad that the minister has changed his mind, because we certainly have not an orderly tariff on vegetables and fruits. We thought that three duties were sufficient, but the minister has added another one. He has the British preferential, the intermediate and the general tariff, and then he puts on a specific tariff—four tariffs instead of three. It

may be all right, but I submit that the word "orderly" cannot be used in reference to this tariff.

Mr. GLEN: During the course of the hearing before the tariff board of the application of the horticultural council, Mr. Burrows, the secretary, made the statement that the proposition submitted to the board would not increase the cost to the consumer.

Mr. BENNETT: What about the present tariff?

Mr. GLEN: From what has taken place since the budget came into effect, it is evident that that statement made by that gentleman is absolutely incorrect. Throughout the whole of Canada to-day, fruits and vegetables imported into this country bear such a rate of duty that the cost to the consumer is necessarily increased. I do not propose to enter into any detailed statement regarding all the items in the tariff, because I think they can be embraced in one general statement. I do not know the fruit and vegetable trade as do my hon. friends across the way, but I can obtain information from someone who does. Mr. Savage, of Messrs. Plunkett & Savage, wholesale fruit merchants in Calgary, addresses an article to the consumers of Canada which I think is very illuminating so far as these particular tariffs are concerned. As I said during the course of the budget debate, I am wholly opposed even to a seasonal tariff, and I do not think that type of tariff gets away from the principle which is invoked in this budget. Any advantage which the producers hope to obtain is purely fictitious, and the day will soon come when they will realize that a tariff protecting their particular industry offers no protection at all. Many of those who asked for this protecitve tariff on fruits and vegetables are now satisfied that they have raised something which they would rather not have seen raised at this particular juncture. They may find that to-day the Canadian producers are somewhat averse to this particular tariff.

Mr. BENNETT: And the coon came down.

Mr. GLEN: I am not worrying about the coon. I am not talking about that just now. Mr. Savage is, I understand, a well known merchant and I am sure he is well known to the leader of the opposition.

Mr. BENNETT: He is one of my supporters.

Mr. GLEN: This is from Mr. Savage:

Consumer:

Have you given any thought to the proposed tariff changes brought down in the budget by the government of Canada, May 1, 1930? Are you prepared to accept the tremendous increased duty proposal? These increases were prompted by the specialized growers of fruit and vegetables of Canada which constitute approximately 2 per cent of our population in as far as importations against them are concerned. The facts are, if the budget is passed, that all the people of Canada must pay the bill.

I do not think there is any doubt about that at all.

Mr. DUNNING: What is my hon. friend quoting from?

Mr. GLEN: I am quoting from a letter that was written by Mr. S. S. Savage, a wholesale fruit merchant of Calgary. He says:

A casual examination reveals startling information. All cars of fruits and vegetables clearing customs since May 1 at all ports in Canada, the duties in my opinion will be more than double that previously charged. The importance of some of these duty charges I submit the following:—

The government in their tariff proposal is not content increasing duty on the commodity itself, but are charging a duty on packages—

That is directly contrary to the statement made a minute or two ago.

—and where a specific duty is levied, which is in 90 per cent of the cases, in addition to the weight of the commodity the weight of the package is included in the weight for duty. Even ice that is inside of containers to assure the safe arrival of perishable goods, is assessed.

Then he gives a number of instances of the duty that will be paid. I do not know that I need trouble the committee with them, but they are very large.

Mr. ADSHEAD: Put them on Hansard.

Mr. GLEN: He continues:

As an example, in the instance of cabbage the duty will be equivalent to $25 per ton.
Onions, $15 per ton.
Carrots in bulk, $20 per ton.
Cauliflower will be approximately, $50 per ton.
Rhubarb, $25 per ton.
Spinach, $25 per ton.
Lettuce, including ice in the crate and the weight of the package will be around, $50 per ton.
Potatoes, $10 per ton.
Tomatoes, $45 per ton.
Celery, $50 per ton.
Cucumbers, $25 per ton.
Asparagus, $70 per ton.
Apricots, $25 per ton.
Cherries, $25 per ton.
Grapes, $45 per ton.
Cranberries, $60 per ton.
Peaches, $30 per ton.
Pears, $20 per ton.
Plums and prunes, $20 per ton.
Strawberries and raspberries, $70 per ton.
Apples ⅜ of 1 cent per pound including the weight of the package.

Bear in mind all the above is the minimum duty. There can be a higher duty assessed, namely taking advantage of the ad valorem tariff, or whichever is the higher, you pay your money and the government take their choice.

I wish to point out that 75 per cent of the fruit and vegetable business—

In this connection what the minister proposes will meet it.

—that is competitive with the United States that the season in which they are received covers the producing season in Canada of from thirty to ninety days. In the instance of tomatoes these are imported the year around into Canada and produced in Canada for a period of not more than three months, hothouse production excepted. Therefore the consumer is paying the same tariff the year around to protect the grower for a commodity that he can only supply for from thirty to ninety days.

The proposed increase will undoubtedly mean increases in the price of the Canadian produced article as well as the imported article, and this will reflect in higher cost of living to our people of Canada, which will reflect itself in the necessity for higher wages, which will not permit our manufacturers and producers to be able to compete with other countries, especially so when we are producing to supply world markets, which is a substantial policy of the Canadian government at the present time.

He goes on further to say this, and I think this is a very striking part of his letter:

The government and growers of Canada before allowing the present proposal to pass, should study the question in relation to the commercial condition in all of Canada. Surely it is not the intention of the government to adopt a policy that will tend to injure industry and agriculture itself. The Canadian consumer is and has been a very tolerant people, patriotic in fact, but in my opinion when they find a certain industry receiving a monopoly and trying to force an intelligent people to pay according to their views I feel certain they will be in a losing fight if the tariff as presented in the budget is passed. The people of Canada will undoubtedly tell the government when they go to the polls, that they are not believers in giving protection to the extent of what can be called a monopoly. I feel sure however, that inasmuch as our whole fiscal policy for the last sixty years has been built around a moderate tariff, that the consumer is still inclined to see a fair and reasonable duty levied for the purpose of revenue. I wish here to point out that the great producing areas of Canada are amply protected on all imports of fruit and vegetables when you consider the extra freight rates that have to be paid on like commodities as those produced in Canada. In the instance of importing to this market from British Columbia there is a rate on apples of seventy-one cents which is undoubtedly an excessive freight charge; a freight rate of forty-two cents on vegetables as against California of $2.10 per hundredweight and on vegetables from $1.65 to $1.85. In addition the icing charges are double and sometimes treble on all cars of fruit and vegetables as compared with British Columbia. In the case of Washington and Oregon the rates are a little lower than from California. It therefore does seem to me that the position of our western Canadian grower in particular is a most favourable one as compared with the growers across the line from Canada who have to compete against the production of fruit and vegetables that come into their territory from all parts of the United States duty free. I therefore challenge the growers of Canada to prove through any bench of judges or an independent commission, that their position is worse than border states of the United States. It just simply cannot be proved.

The Canadian producers that are clamouring and hollering for these prohibitive duties should concern themselves in production, producing more to the acre and varieties and qualities of fruit and vegetables that are demanded by our Canadian markets.

Then the writer says:

An excellent way of killing a home market is to raise prices. It is much more readily slain in that way than by prohibiting foreign imports. Moderate prices should lead to increased consumption. The fruit growers should be extremely grateful to the opposition developing to their demands. If they have their own way it is quite possible they will kill their own market by driving the people to the use of foreign fruits which compete indirectly with their own production. You cannot force up the price of apples, pears, peaches, grapes, plums, and cherries, without leading to an increased demand for oranges, bananas, and pineapples, always providing of course that the price of tropical fruits is not increased by the artificial restriction of tariffs. The present position of the fruit grower in Canada is far from doleful, despite tales of woe from the weeping rooms raised for the purpose of drawing sympathy from the thoughtless and uninformed citizens. I know of no other instance where by protection a people are guaranteed a profit. Success can only come when they learn to rely on their own resources instead of asking government pap and make the already overtaxed consumer pay for it.

Mr. DUNNING: Will my hon. friend, for the purpose of accurate record, say whether that is a letter published in the press, or what it is?

Mr. GLEN: I understand it was published in the press by Mr. Savage.

Mr. DUNNING: A circular?

Mr. GLEN: It was given to me as a letter that was published.

Mr. STIRLING: What is the date of it?

Mr. GLEN: I have not the date. There is no date to it. Whatever may be the truth of the remarks as contained in the statement made by Mr. Savage, at all events I know that he is a wholesale fruit merchant in Calgary. In that letter certain things are stated far better than I could put them. I refer particularly to the remark he makes that this must certainly cause increased prices to the consumer.

Mr.. BENNETT: It has.

Mr.. GLEN: Of course it has. The main argument I have addressed on this question bears out the contention in Mr. Savage's letter that any tariff imposed on these articles must certainly be paid by the consumer by way of increased price. We have had the exemplification of that since the introduction of the budget. We know that the price to the consumer is greater, and those of us who live in the west know that he is not in a position to pay it. I think that these schedules ought not to be in this budget at all. It is the fault of our budget system that there may be a great many things in the budget with which you can agree and some things to which you are strongly opposed, but you have to vote either for or against the budget as a whole. You will find things that you know are detrimental not only to Canada but particularly to the people you represent. That is the case with this budget, more perhaps than with any other. The protective principle on agricultural products has been introduced, against which I must strongly protest and which I repudiate. I have never stood for it and I do not intend to stand for it. These fruit and vegetable schedules are detrimental to the best interests of Canada, and they should be reconsidered. We cannot move amendments, but in view of the expressions of opinion coming from western Canada, where we shall suffer more than people in any other part of this country because of our long hauls, I strongly urge the Minister of Finance to reconsider these fruit and vegetable schedules in their entirety and come back with some method of alleviation.

Mr. LADNER: Has the hon. gentleman courage to move an amendment himself?

Mr. GLEN: It is not a question of courage. If you want to move an amendment, move it yourself.

Mr. BENNETT: It is very strange, after this wholesale condemnation of the fruit and vegetable schedules by the hon. member for Marquette to find among the names of those who voted for the budget the name of Glen (Marquette). Surely the voice I have just heard is still the voice of that same gentleman, and the observations to which we have just listened were made by the same hon. gentleman who voted for the budget the other evening. Why this protestation now and the vote the other evening? Why support the government when it fears for its life, and oppose it when opposition is of no consequence? What is the reason?

Miss MACPHAIL: Politics.

[Mr. Glen.]

Mr. BENNETT: My hon. friend from Southeast Grey says "politics," and she usually is right. The hon. gentleman cannot be ignorant of the fact that during the last twenty-four months from one end of this country to the other, alike upon the prairies, in British Columbia, in Ontario and in eastern Canada, I have pointed out that all that was required for the purpose of enabling the Canadian fruit and vegetable grower to have an equal opportunity with his competitors was that at particular seasons of the year tariffs be made available that would prevent the dumping of foreign surplus products upon the Canadian market, thus destroying the home market of our own producers. Surely the hon. gentleman must recall that. Certainly in the Okanagan country, in as strong terms as possible, I referred to it. Then, lest it might be said that these observations were made where fruit and vegetables were grown, and not for the benefit of the consumer, I made the same observations in the cities of Edmonton and Calgary. I made the same observations in Winnipeg and Saskatoon and in eastern Canada. Why? Because in 1922, after a close analysis of the situation, it was realized by all parties in the house, except my friends to the extreme left, that it was desirable that the Canadian fruit and vegetable grower should have a chance to sell his product at a decent price as against competition that came to him by reason of the surplus products from other markets being pressed upon the Canadian market at a particular time of the year. Last year, for instance, just as our fruits were maturing in British Columbia, I happened to be at Yahk junction, where seven carloads of American fruit had come in destined for the prairies. They represented the tail end of the American crop. The supplies necessary to meet the demand of the American people in Oregon and Washington had been provided, and the surplus was being sent forward at a price that enabled them to undersell the British Columbia producer. Some of these producers—there were gentlemen on the other side of the house, one at least, who passed through there a short time afterwards—actually showed me the results of their operations which spelt for them financial ruin, complete. They have been endeavouring to build up an industry in that particular area. I said to our friends on the prairies: Which do you prefer? To destroy industry in its entirety in the Okanagan and in British Columbia, or to enable it to live? Do you want in this country a foreign monopoly of

fruit whereby any price desired could be charged by the foreigner? That was the question. I never saw any difficulty at any time upon the part of fair-minded Canadian consumers in opposing such a possibility.

Mr. YOUNG (Weyburn): What about the monopoly in British Columbia?

Mr. BENNETT: I cannot answer that question; for I am not sufficiently familiar with the situation to answer it. But this I will say, that in the section which I visited last year there was no evidence of a monopoly.

Mr. YOUNG (Weyburn): Was there not a committee controlling the price?

Mr. BENNETT: Not in southern British Columbia where I was. They showed me exactly what they were doing, the competition they had to meet, and the efforts they were making to meet it. They did explain to me that they had a cooperative marketing board.

Mr. YOUNG (Weyburn): And a committee of direction, which would haul any man to court who dared sell under their directions as to price.

Mr. BENNETT: They have a statute in British Columbia, if that is what my hon. friend refers to. Of course it would have no validity so far as its operation outside the province of British Columbia is concerned.

Mr. YOUNG (Weyburn): The committee controls the price of our supplies on the prairies.

Mr. BENNETT: I am not at all familiar with its operations in that sense beyond what the hon. member now tells me. The statute to which I referred is a provincial statute—

Mr. YOUNG (Weyburn): The committee are asking that American fruit be shut out except subject to their dictation.

Mr. BENNETT: I trust that my hon. friend may be able to induce his Minister of Finance to see the error of his way, rather than seek to get one who sits on the opposition side of the house to reform his methods. The hon. gentleman will remember that in 1922 we passed a statute whereby the minister was empowered to make recommendations as to the valuations upon which prices were based for duty purposes at given seasons of the year. That is, it did not limit the time within which it might be invoked. It has already been explained to the house that that statute was put in operation during the all too short life of the administration of Mr. Meighen, and it was found that its operation afforded the relief sought without increasing the price to the consumer. That is the main thing—without increasing the price to the consumer. The result was that it gave the Canadian market to the Canadian producer at a given time of the year.

Mr. ROSS (Moose Jaw): Does the hon. gentleman say that that order in council did not increase the price to the consumer?

Mr. BENNETT: Certainly.

Mr. ROSS (Moose Jaw): Never?

Mr. BENNETT: No. What was more, it was clearly indicated in Winnipeg, Calgary and elsewhere that the prices of the commodities referred to in the order in council had not been increased thereby over the fair market prices that prevailed even in other countries. That was the effect of it. Now what has happened? This government has placed upon the statute book a tariff on fruit and vegetables which applies all the year round. It is divided into two parts, an ad valorem tariff and a specific tariff, and whichever is the higher prevails. Its application in the city of Winnipeg and in Calgary is pointed out in the letter which my hon. friend from Marquette has just read. It was also pointed out in the Winnipeg Tribune, in the Winnipeg Free Press, and in other western papers. They were dealing not with theories but with actual carloads of fruit and vegetables that came in from the United States at a time when they did not compete with the Canadian-grown fruits and vegetables; for we were not marketing them then, so that they did not in any sense interfere with the operations of the Canadian producer. I took the trouble since the budget was introduced to look at one of the markets in the city of Toronto, to see exactly where the vegetables that were being sold on that market came from. I observed that some of them came from Texas, some from the far Pacific slope, some from other parts of the United States. Now, at this season of the year, we are not growing cabbages, we are not growing strawberries, and we are not growing other fruits and vegetables that come in from the United States. So there is no reason why the consumer should have to pay an enhanced price by reason of the fact. The tariff that was in force before the government messed it up, as they did the other day, gave adequate protection to the producer at a time when he did not desire to interfere with his fellow-Canadians getting imported fresh vegetables and fruits that he was not growing. The act

as it stood in actual operation provided a solution that was satisfactory to the people. My hon. friend from Weyburn (Mr. Young) put upon the order paper a resolution demanding that the order in council should be rescinded. In due course his notice of motion disappeared and the order in council was rescinded. Then there was a great gathering downstairs in the railway committee room. I do not propose to go into the details of that gathering—they were so admirably dealt with by my friend from Yale (Mr. Stirling) the other evening—beyond saying that in the discussion it became apparent that the vegetable and fruit producers themselves were satisfied with the operation of the order in council under the statute passed in 1922.

Mr. YOUNG (Weyburn): Well, they might be.

Mr. BENNETT: Will my friend object to that? Now this government came in. Look at what they have done. At a time when protection is not required the maximum duty is applied; at a time when the maximum duty is required the minimum is applied. Instead of improving the position of our vegetable and fruit producers—as in the case of beans—they make it worse. Mark this, the government must follow some line of policy. They have made an increase of 400 per cent in the case of beans. Why do they not follow this policy in regard to fruits and vegetables? They have not done what the producers asked for before the tariff board. On the contrary they have adopted a principle of their own, which principle, as I have indicated is the application of a specific or an ad valorem tariff, whichever is the higher, with the result that the higher tariff will prevail at a time when it is not necessary, and the lower at a time when the higher tariff is required; and it is all the year round. What happened? The government of the day—shall I say?—compelled its supporters from the prairies to support that proposal.

An hon. MEMBER: Nothing of the kind.

Mr. BENNETT: Did the government give a promise to those gentlemen that in committee they would reduce it? If so, a vote was given by a number of the members of this house without information on all the facts. That is the point. We have a right to know whether the government gave assurances to members from Manitoba, Saskatchewan and Alberta that they would reduce this tariff. Did they or did they not induce them by those promises to vote as they did?

Mr. GLEN: Do you wish an answer?

[Mr. Bennett.]

Mr. BENNETT: Yes.

Mr. GLEN: No.

Mr. BENNETT: The hon. gentleman has answered for himself. Then why did he vote for the budget in view of what he said tonight?

Mr. GLEN: If you will give me five minutes I will answer.

Mr. BENNETT: When I am through the hon. member can do so if it will take that long. Why did he do that? Will other hon. gentlemen say the same thing?

Some hon. MEMBERS: Sure.

Mr. BENNETT: Will they say that at the very time they were getting ready for the vote they were not having meetings with the horticultural council and the minister? Will they say that?

Mr. DUNNING: Mr. Chairman, I should say here that I never met the horticultural council in conjunction with anyone else.

Mr. BENNETT: Then we will say the minister met them alone, and the hon. gentlemen met the horticultural council without the minister, so there will be no misunderstanding.

Mr. DUNNING: I may tell my hon. friend that a number of his supporters met the horticultural council.

Mr. BENNETT: Quite so, in an effort to protect the consumers of this country by a just and fair tariff.

Mr. DUNNING: It was quite proper for any hon. members to meet them.

Mr. BENNETT: On the first day of May this tariff came into force. This is now the 19th of May. In nineteen days thousands of dollars have been taken under this tariff more than will be taken under the proposals that the minister mentioned.

Mr. YOUNG (Saskatoon): And it shows up the high protective policy too.

Mr. BENNETT: Whose high protective policy?

Mr. YOUNG (Saskatoon): Yours.

Mr. BENNETT: Oh no. Ours was a seasonal tariff. Why did the hon. gentleman vote for it?

Mr. YOUNG (Saskatoon): I voted for the motion to go into committee of ways and means, and we are here now and will deal with the matter.

Mr. BENNETT: Oh, how amusing, Mr. Chairman, is the sophistry of the hon. gentleman from Saskatoon! He says: "I voted for committee of ways and means and we are now in it." That is his answer. That is the budget for him. That is the national policy now: "I voted for commitee of ways and means and we are now in it." Go and tell the citizens of the prairies that. Tell them: "I voted for committee of ways and means and we are now in it. That is my conception of my duty to the Canadian people."

Mr. YOUNG (Saskatoon): I did not say that.

Mr. BENNETT: "That is my view of the rights of the consumers and producers; I voted for committee of ways and means and we are now in it."

Mr. YOUNG (Saskatoon): No, you are distorting my words.

Mr. BENNETT: There is the story of the hon. gentleman. Why, he looks his part. He voted for committee of ways and means and he is now in it, Mr. Chairman, and being in it the Minister of Finance proposes to get him out of it. He is suggesting that the way to get him out of it is to amend this item by reducing it. I ask again; why did you vote for it? Why do the Liberal organs in other parts of Canada say that those who voted against the budget voted against relief of the farmers? Why do they say any member from Nova Scotia who voted against the budget voted against the Duncan report? The sophistry works both ways. The hon. gentleman from Saskatoon voted for committee of ways and means, all the time reserving in his mind the right to express himself in committee of ways and means.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

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## Tuesday, May 20, 1930

The house met at three o'clock.

### REPORT OF COMMITTEE

Sixth report of the select standing committee on miscellaneous private bills—Mr. Glen.

### PRIVATE BILLS—PROCEDURE

Mr. J. A. GLEN (Marquette) moved:

That all private bills reported upon to-day in the sixth report of the select standing committee on miscellaneous private bills be placed upon the order paper of the house for consideration this day in committee of the whole and for third reading.

Mr. A. N. SMITH (Stormont): Mr. Speaker, I understand that the evidence in connection with these various bills is not even before the members of the house. Yesterday some sixty bills to which some members had objection went through the committee stage and were given third reading here, and later the evidence was handed to us. The same thing occurs again to-day; the standing committee has considered these bills without having the evidence before them, and I cannot see how that committee possibly could know what they were doing.

Mr. IRVINE: We considered them as we always have considered them.

Mr. SMITH (Stormont): At least we always have had the printed evidence before us.

Motion agreed to on division.

### UNEMPLOYMENT IN ALBERTA

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I wish to direct the attention of the government to reports emanating from the province of Alberta which indicate that there is still a grave condition of unemployment in the principal cities of that province, and particularly in Calgary. In the town of Drumheller, in the mining area in my constituency, I find that 80 per cent of the miners are out of work, and it is estimated that there are approximately 1,000 men who are either out of work entirely or who are working only two shifts a week. I wish to ask the government if there is any hope that their hearts may be softened in this matter and that they may extend some relief to meet this situation.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might say to my hon. friend that the heart of the government always has been soft in these matters. At present an investigation is being made with respect to the conditions to which he has referred.

### GENERALS DIE IN BED

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, I have received numerous communications from soldier associations in the Toronto district inquiring if the Minister of

National Revenue (Mr. Euler) proposes to take any action regarding the publication of a book entitled Generals Die in Bed by Charles Yale Harris. This book contains many libellous statements with reference to the Canadian troops, and I would like to know if the minister proposes to prohibit its publication and sale in Canada.

Hon. W. D. EULER (Minister of National Revenue): This matter has not been brought to my attention; I have not read the book, but I will make inquiries.

## PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Pensions and National Health) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to amend the Pension Act, to carry into effect the recommendations of the special committee on pensions and returned soldiers' problems submitted to the house on 14th May instant; and to provide for the salaries to be paid to the chairman and members of the pension tribunal, the president and members of the pension appeal court, and for pension to be granted to any member of the said bodies, or of the commission, on retirement; and for the salaries of the other proposed officials, and travelling and living expenses as prescribed; and for the constitution of a branch of the department to be known as the veterans' bureau.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Resolution reported, read the second time and concurred in. Mr. King (Kootenay) thereupon moved for leave to introduce Bill No. 265, to amend the Pension Act.

Motion agreed to and bill read the first time.

Mr. KING (Kootenay): The bill is being printed but will be available for second reading this evening, if that is agreeable to the house.

Mr. BENNETT: That will be agreeable.

## RETURNED SOLDIERS' INSURANCE ACT AMENDMENT

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That the time for receiving applications for insurance under the Returned Soldiers' Insurance Act be extended for three years from the 31st August, 1930.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

[M. Church.]

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 264, to amend the Returned Soldiers' Insurance Act.

Motion agreed to and bill read the first time.

Mr. BENNETT: Would the minister explain the actuarial situation?

Mr. DUNNING: I have not those details before me, but the bill constitutes acceptance of the recommendations of the special committee which has been dealing with returned soldiers' problems. The time has now expired for the acceptance of applications for insurance, and the recommendation has been made that this time be extended for a further period of three years.

Mr. DUNNING moved the second reading of the bill.

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

Section 1 agreed to.

On the title.

Mr. McGIBBON: Could the minister give us any information as to the cost of carrying this insurance?

Mr. DUNNING: I did not think that we would reach this stage of the bill to-day and I did not bring the figures with me. This matter was gone into thoroughly by the special committee, but I would be willing to leave the bill in committee.

Mr. ROSS (Kingston): What interpretation is to be put upon the phrase "reasonable expectation of life?" I know of one case where the man is able to participate in hockey games and other sports, although there is no question that he is suffering from a disability. He has been refused insurance but I should think that when a man can participate in sports he has a reasonable expectation of life. My understanding was that the interpretation of this phrase would be very wide, and that a man unable to obtain insurance from other companies would be able to avail himself of the provisions of this act. Could the minister give me any information in this regard?

Mr. DUNNING: My department is concerned only with the actuarial administration of the act; the feature of the act to which the hon. member for Kingston (Mr. Ross) refers would be administered by the Department of Pensions. The minister, I know, is getting the information now and he will be here in a few moments. My understanding

of the matter is that in practice a most liberal interpretation is placed upon the phrase to which my hon. friend calls attention. One can understand how difficult it must be to administer such a section correctly. A reasonable expectation of life of course would not or should not include a man who is very evidently dying. That, at least, is my personal view. On the other hand my hon. friend directs attention to a case in which he says there was a reasonable expectation of life, but apparently, if we are to judge from his information, the insurance was not granted. I think this would be a matter of taking up the specific case with the pension department in order to get the facts. I have not the information personally.

Mr. KING (Kootenay): The case is looked into by a medical officer under instructions of the pension commission. He goes through the file and if he wishes to make further examination the matter is referred to the unit. The individual is then examined and his case is reported upon.

Mr. McGIBBON: What I am concerned about is whether the spirit of the act has been carried out or been abused.

Mr. KING (Kootenay): It has been carried out.

Mr. McGIBBON: The spirit of the act was in favour of taking care of such cases. Granted that a man has returned from the war and cannot get insurance owing to being a war casualty or suffering from some disability attributable to war service, it seems to me it is going a long way under the terms of the act to shut the man out from the benefit of the insurance, because all we tried to do was to place him in the same position as he was prior to the war.

Mr. KING (Kootenay): I understand the cases are being looked into very carefully and dealt with liberally. The rejections are fairly few and the cases are thoroughly investigated.

Mr. ROSS (Kingston): This is the case of a returned man who for years believed in the possibility of obtaining a pension. He is turned down. He is still continuing at his work and in addition to that he is able to take part in hockey matches of a league nature and so on. Yet we are told he has not a reasonable expectation of life.

Mr. KING (Kootenay): I should like to have the name or number of that individual, so that I may look into the matter. It does not seem to me right, because in many cases men who would not be considered fit for insurance are being taken care of under this legislation.

Mr. ROSS (Kingston): My understanding of the measure is that it is a sub-standardized case that would be covered and I think it is unfair to shut out such a case as this.

Mr. KING (Kootenay): I shall be glad to look into it.

Bill reported.

Mr. DUNNING moved the third reading of the bill.

Mr. McGIBBON: As the minister is now in his place, could he give us the information for which I asked a few minutes ago, as to the loss, if any, in carrying this insurance?

Mr. KING (Kootenay): The net insurance in force is $72,508,725.

Mr. BENNETT: That is the amount of risk?

Mr. McGIBBON: I want to know the loss, if any, to date in carrying the insurance.

Mr. KING (Kootenay): I do not think there is considered to be any loss.

Mr. McGIBBON: That is, the insurance is carrying itself?

Mr. KING (Kootenay): Yes.

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

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose last night we were considering item No. 84:

Customs tariff—84. Onions, in their natural state, including onions grown with tops, shallots, and onion sets, the weight of the packages to be included in the weight for duty: British preferential tariff, free; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than three-quarters of a cent per pound.

Mr. McMILLAN: Just before the item carries, I have before me a few gems of expression which are said to have fallen from the lips of the leader of the opposition (Mr. Bennett) in London last Friday and which I should like to place upon Hansard. This is number one:

You have all heard Thomas McMillan talk about the iniquities of high protection, but I saw him in the House of Commons last night vote for higher duties on fruits and vegetables than had ever been proposed before.

Surely the hon. gentleman as the leader of a great political party ought to be big enough to be fair, and big enough not to strike anyone below the belt when his face is turned. When he told that audience that I had voted for higher duties than ever had been proposed before, why did he not tell them that at the same moment I had voted for duty free fruits and vegetables from all the rest of the British Empire? But even with such a qualification that expression was whopper number one. When I read that expression I was reminded of an incident during Sir Wilfrid Laurier's first visit across Canada to the Pacific coast with big D. C. Fraser, afterwards Lieutenant-Governor of Nova Scotia, in his party. After leaving Victoria they sailed up the Fraser river to Ladner's Landing, where a banquet was served. A Cornish man, William Ladner, was host, and a right royal host was old Bill Ladner. I knew him well. In his address of welcome to the distinguished party, he naturally extolled the grandeur and fertility of the Fraser river valley and its delta, and after numerous lavish expressions, "Why," he said, "talk of fertile valleys, all you need to do is just step outside and you will be able to walk on soil that will produce sixteen tons of hay per acre." Then Fraser called out "My God, I knew we had some awful liars in Nova Scotia who went west, but I never knew that one of them had settled here."

We have heard the statement, Mr. Chairman, that I supported higher duties on fruits and vegetables than were ever imposed before. Yet there sit on the opposite benches no less than ten members of the shadow cabinet gathered about their leader, and who were sworn to office on the 13th of July, 1926. They scarcely allowed the ink on their signatures to dry before passing order in council No. 1088, under which they were enabled to place high valuations on certain fruits and vegetables with this effect: They raised the duty on tomatoes all the way from 30 to 76 per cent, or an increase of 255 per cent. They raised the duties on peaches from 30 to 80 per cent, or an increase of 266 per cent. On one carload of onions, the item we are now discussing, they actually raised the duties by high valuations, all the way from 30 to 83 per cent, or an increase of 276 per cent.

Now what about the duties on these vegetables that are mentioned in the present Dunning tariff? I find that in this tariff the duty on onions is three-quarters of a cent a pound, whereas under the order in council of the shadow government the duty was one and a half cents a pound. The duties on other vegetables compare as follows:

| | 1930 budget cents per lb. | Duty under the shadow cabinet cents per lb. |
|---|---|---|
| Asparagus | 3 | 10 |
| Cabbage | 1 | 1½ |
| Carrots | 1 | 1½ |
| Cauliflower | 2 | 2½ |
| Celery | 2 | 2 |
| Cucumbers | 1 | 3 |
| Lettuce | 1½ | 3 |
| Spinach | 1 | 3 |
| Tomatoes | 2 | 5 |

If you take those ten articles you will find that the duty has been raised by this budget 14¾ cents, or an average of 1·4¾ cents per pound. The duties on those ten articles were raised under the shadow cabinet 33 cents, or an average increase of 223·75 per cent. And yet, sir, the hon. leader of the opposition will stand before an audience in the city of London, an audience from western Ontario, and tell them that I have voted for higher duties than were ever proposed before. What do you think, Mr. Chairman? Do you think that any man will ever become Prime Minister of Canada if he goes around telling the people of Canada the like of that? Is it any wonder that our friend the Minister of Justice at Woodstock said that the Moses who was found on the beach at Winnipeg would never reach the promised land?

Number two. "Sir John Macdonald and others believed that the principles which made the American republic a great nation would do the same for Canada, and so the national policy was born." That, sir, is another whopper not even a half truth. The principles which have made the United States a great nation were not the principles of high and higher duties upon import trade. No, sir. It is because the United States has, within the bounds of her own territory the greatest free trade area in the world, and contains the greatest diversity of climate and production to be found on the whole face of the globe. That, along with her inherent wealth of great natural resources, have made the United States a great nation.

Number three. "Laurier, the leader of the Liberal party, he said, adhered to that policy till 1911, but then by his manifesto rejecting that policy and sponsoring reciprocity he was swept from power." Mr. Chairman, I am always ready and willing to stand or fall by the doctrine enunciated by Sir Wilfrid Laurier.

What was that doctrine?

When Laurier was first chosen as the leader of the Liberal party in Canada, he refused to

accept that leadership, on the ground that he neither belonged to the race, nor did he profess the creed of the majority of his countrymen; and it was only after he was appealed to again and again, by his Liberal friends, Protestants themselves, and told that Liberal principles knew neither race nor creed, and the only reason they wished him as their choice, was because they believed he was their ablest man, that he at length consented to accept that great responsibility.

And Mr. Chairman, can we ever forget a notable occasion on the floor of the House of Commons when Laurier arose in his place, and announced to the Canadian people, that he stood there as the acknowledged leader of a great political party, and as such, he represented neither the principles of Protestantism, nor the principles of Roman Catholicism, but that he hoped he would always be able to represent the true principles which should actuate a great Canadian people, and when he approached any great question of state he would seek to approach it, not from the standpoint of Protestantism or from the standpoint of Roman Catholicism, but from that point of view which would appeal to the hearts and consciences of men, irrespective either of their religious or political proclivities. That, sir, was the spirit in which Laurier announced the doctrine of Liberalism in Canada. Those words will continue to manifest the spirit and doctrine of true Liberalism until the end of time; and I, sir, as the representative of my people in this house, am willing to stand or fall by that doctrine.

Number 3:

Laurier adhered to that policy till 1911.

That, sir, is another of the hon. gentleman's whoppers.

Some hon. MEMBERS: Order.

Mr. McMILLAN: If the hon. leader of the opposition (Mr. Bennett) will search Canadian history, he will find that not only Laurier but all the leaders of political thought in Canada had long maintained that the natural avenues of trade on this continent were north and south. They held to this common sense view, despite the opinion of high protectionist forces.

The experience of the old reciprocity treaty of 1842 to 1854 demonstrated the wisdom of that freer trade with the United States. Liberals went down to defeat on three successive occasions fighting for a renewal of those conditions: first, in 1886 under the leadership of Hon. Edward Blake; second, in 1891 under the leadership of Sir Wilfrid Laurier; and a third time on the Fielding reciprocity agreement of 1911, when Sir Wilfrid Laurier was defeated after fifteen years of the most prosperous rule in the history of Canada. The brightest page in the history of that splendid Liberal record is the page which records the fact that Laurier was asked to step down and out, fighting for the finest freer trade agreement ever offered to the people of Canada and without the slightest breath of scandal attaching to his name.

That fact, sir, is the conscious pride of every Liberal as it was the crowning satisfaction of our noble leader. It was that record which made Sir Wilfrid Laurier the pride of the Canadian people in opposition, as he was the statesman in office,—

Mr. SPENCE: Mr. Chairman, I rise to a point of order.

Mr. McMILLAN: —and when that agreement was offered to the Canadian people, there was really no difference as to its benefits on the part of any party.

Some hon. MEMBERS: Order.

Mr. McMILLAN: The only mistake was that Laurier—

The CHAIRMAN: Order.

Mr. SPENCE: On the point of order, Mr. Chairman, I should like to ask if the hon member is discussing the duty on onions?

Mr. McMILLAN: Yes, sir, certainly.

An hon. MEMBER: What are you reading from?

Mr. McMILLAN: I am reading from my speech, the way you did the other day, word for word.

Mr. SPENCE: Mr. Chairman, I should like your ruling on the point of order.

The CHAIRMAN: I understand the hon. gentleman is developing his argument with respect to the item under discussion.

Mr. McMILLAN: The only mistake was that Laurier did not put the measure through at once, but rather gave the Tory party the time and opportunity to trump up the false cry of "Let well enough alone" and the more effective although hollow slogan of "No truck or trade with the Yankees." Notwithstanding the nature of that cry during the campaign, one of the first international acts of the Borden government was to send their representatives to Washington, hat in hand, to beg of the American government to relieve the grain situation of western Canada by

allowing western Canada grain to be shipped to and stored in American elevators, which of course was agreed to at once.

While the Canadian farmers failed to secure free access to the United States markets for their beef, cattle, wheat, potatoes, and other agricultural products in 1911, yet, sir, by gracious enactment of the American government under President Wilson in 1915, we did secure that boon for four successive years; and if the Tory Canadian government of that day had had the common sense to reciprocate we might have had those arrangements permanently confirmed.

However, in Mr. Fielding's first budget as finance minister in the Mackenzie King government, he invited the United States to consider such a reciprocal trade agreement. Mr. Robb placed a standing offer on the statute books for the same purpose, and it remains till this day. Liberals still feel that with such a reciprocal trade agreement with the United States, we could successfully meet any high protectionist opposition anywhere in Canada, and obtain a decided boon to Canadian agriculture. The natural course of trade proves that we would be proceeding along reasonable lines.

Consider the present trade situation between Canada and the United States. The entire foreign trade of Canada with all the world during the fiscal year just closed (1929-30) was $2,394,361,045, while with the United States it amounted to $1,411,538,383. The trade of Canada with all the rest of the world was $982,822,662; or Canada does with the United States $428,715,721 worth more trade annually than she does with all the rest of the world; and that, in spite of all the obstruction caused by two adverse tariff walls which the respective governments have built up between these two countries.

Is that not at once a tribute to the power of natural trade laws and an indication of the only rational trade policy? It points at once to the wisdom of a full degree of freer trade in natural products between these two countries, which would injure no one and would be just as certain to benefit both countries as has been the internal development of each country, unhampered by any tariff restriction between individual states or individual provinces. If this tariff restriction now carried to such a degree between the several countries of the world is beneficial, why not carry it to its logical conclusion? Why not build up high tariff walls between every state, every province or every county in each province, and then we would dearly realize how ridiculous such impositions are. Canada is now the best customer of the United States. For every dollar's worth of goods we sell to the United States we buy practically $1.60 in return. The United States sold to Canada last year nearly twice as much as she sold to all of South America, twice as much as she sold to Germany, and over three times as much as she sold to France. Surely such a good customer as Canada is worth keeping. More than that, Canada's good will towards the United States has been amply demonstrated on many occasions, and on no occasion has it been demonstrated to a greater extent than in passing during the present session the act to prohibit liquor clearances. While it is true that this parliament passed the measure abolishing liquor clearances, as a measure of self respect, and to make our Canadian government and its customs officials entirely free from the possibility of being accused of trafficking with a gang of rumrunners, lawbreakers and crooks of the lowest kind, it nevertheless had the effect of expressing good will towards the United States. However, the high protection forces in that country seem to have obtained possession of power to such a degree that they have no intention of allowing trade to develop normally, and flow freely back and forth between these two countries as it should, and as it would if it were freely permitted.

In lieu of the limited revisions of farm duties for which President Hoover asked, congress has increased its present tariff bill in some two thousand particulars. For the American farmers, it is now only a poorly disguised swindle; and to American consumers generally it is a bill of abomination. That tariff bill, if passed, will do Canada a serious economic injury, and I want to say to my fellow citizens whose servant I am that before leaving Ottawa a year ago at the close of the session I left a communication addressed to the Prime Minister, to the effect that if the United States congress continued to manifest the spirit towards Canada indicated by the Hawley-Smoot tariff bill, it was the duty of the Canadian government to show in some tangible way that it was a treatment resented by the people of Canada. The tariff bill is being bitterly assailed even by many of the brightest minds in the American republic. Nicholas Murray Butler, president of the Carnegie Endowment for International Peace, and of Columbia university, has assailed the tariff bill and has said that it is certain to do more harm to America's prosperity, trade and international relations than any previous tariff enactment of the American nation. Not since the most prominent economists of Europe issued their famous anti-tariff manifesto in 1926 has such an impressive document come

to notice as the manifesto addressed to President Hoover on Monday, May 5, 1930, endorsed by 1,028 economic experts from 46 states and 179 colleges, urging him to veto the Hawley-Smoot tariff bill.

Mr. HEAPS: Mr. Chairman, I rise to a point of order. The hon. gentleman has been speaking for half an hour, and he has read every word of his speech. I ask for a ruling.

Mr. McMILLAN: It may be that I am reading my speech, but I have the subject matter in my mind and it is of importance to hon. members in this house and to the citizens of Canada as a whole. I want to have it on Hansard in the best possible form.

An hon. MEMBER: Hand it in.

The CHAIRMAN: I have been following the remarks of the hon. gentleman as carefully as possible and it is my opinion that he has drifted far afield from the item now before the committee. I would ask him to direct his remarks towards item 44, which has to do with onions.

Mr. CAMPBELL: May I draw your attention to the fact, Mr. Chairman, that you have not ruled on the point of order raised by the hon. gentleman. Is the hon. member opposite going to be allowed to read his speech; what is your decision?

Mr. IRVINE: I move that the hon. gentleman be allowed to put his speech on Hansard.

Mr. McMILLAN: If that motion were passed I would be pleased to put it on Hansard. I will not be much longer, however.

The CHAIRMAN: Is it the pleasure of the house that the hon. gentleman have leave to place his speech on Hansard?

Some hon. MEMBERS: No, no.

The CHAIRMAN: The rule as to the reading of speeches has been disregarded in this house for many years. For this reason I cannot rule the hon. gentleman out of order at this time.

Mr. McMILLAN: The manifesto says:

> We cannot increase employment or raise wages by raising tariff walls and restricting trade. All nations must recognize this fact sooner or later. It will not only inspire fear, but it will injure investors in industry in other lands; it will beggar farmers, labouring men, miners, and construction, transportation and public utility employees. Countries cannot permanently buy from us unless they are permitted to sell to us. There are few more ironical spectacles in history than that of the American government as it seeks on the one hand to promote exports and on the other to increase tariffs. In this way it makes exporting even more difficult. Finally we urge our government to consider the bitterness which a policy of higher tariffs will inevitably inject into our international relations.

Mr. HEAPS: I rise to a point of order. It is my opinion that this farce has continued long enough, and I think it is time that it was stopped.

The CHAIRMAN: I think the point is well taken by the hon. gentleman. I must ask the hon. gentleman who is delivering his address to bring his remarks to bear on the matter before the committee.

Mr. McMILLAN: Yes, Mr. Chairman, I shall do so. Since Canada is the best customer of the United States—

Some hon. MEMBERS: Order.

Mr. McMILLAN: —and the foremost export nation of the world, per capita—

Some hon. MEMBERS: Order.

Mr. McMILLAN: —the American manufacturers are now taking notice. Canada's action is the climax of protests from thirty-three countries—

Mr. HEAPS: I rise to a point of order.

Mr. McMILLAN: —and the first serious counteraction of them all.

Mr. HEAPS: I insist that the hon. gentleman must observe the rules of the house. I would also ask the Chairman to assert his authority.

Mr. CASGRAIN: I think hon. gentlemen should allow the hon. member to conclude his speech.

Mr. McMILLAN: I want to say that while there are features in this budget of which I do not approve and which in the course of the consideration of these items I shall try to remove, yet, in the present national situation I am heart and soul in sympathy with the spirit of this budget. Hon. members opposite have talked about desertion of principle and also about apostasy. Notwithstanding the remarks of the hon. the leader of the opposition, I hope to show before I conclude my remarks that the apostates sit opposite.

Some hon. MEMBERS: Order.

Mr. McMILLAN: Canada, after eight years of capable administration—

Mr. HEAPS: I wish to know whether the hon. gentleman is going to observe the rules of proper procedure in this house, and I wish to know if the chairman will so rule.

The CHAIRMAN: Order.

Mr. McMILLAN: If the hon. gentleman will give me a chance—

Mr. HEAPS: I wish to know if the hon. gentleman is to observe the rules of proper parliamentary procedure.

The CHAIRMAN: I ask the hon. gentleman to bring his remarks to bear on the item before the committee; I insist that he do so.

Mr. McMILLAN: Certainly, Mr. Chairman. I shall now direct my remarks to fruits and vegetables.

An hon. MEMBER: We have not reached that item.

Mr. McMILLAN: I have shown conclusively that notwithstanding the remarks of the hon. leader of the opposition the party opposite have increased the duties two and one-half times more than has this government. There is no doubt that the Prime Minister and his cabinet in introducing the present budget have taken the steps they should have taken in order to represent the feeling of the great majority of Canadian electors.

Mr. BENNETT: This is the step they should have taken nine years ago.

Mr. McMILLAN: It is the first duty of any government to correctly interpret the enlightened sentiment of the Canadian people. There is no question of doubt but that he has represented the sentiment of the Canadian people, and the best proof that this budget is good is the manner in which it has been received throughout the country and the whine which it has occasioned from the opposition. It seems to me that no budget would be right if it did not bring out that whining disposition of hon. gentlemen of the opposition. Therefore, in conclusion let me say that I thank them for having presented their part of the budget.

Mr. GOTT: I have the honour to represent in this house the best onion growers in the Dominion of Canada, and I doubt if there is an acre of onions grown in the riding represented by the hon. member for South Huron. With regard to the reference which the hon. gentleman made to the mammoth Conservative meeting in western Ontario on Friday last, I want to tell him that it spells ruin for every Liberal member in western Ontario.

Some hon. MEMBERS: Oh, oh.

Mr. GOTT: The Minister of Finance laughs at that. I do not think he is any too safe in his own riding. I think a wave of indignation—

[Mr. Heaps.]

Some hon. MEMBERS: Oh, oh.

Mr. GOTT: This is the first time I have occupied the time of the house this session.

Mr. DUNNING: Mr. Chairman, I wonder if we could agree on our procedure here. The hon. member for South Huron wandered pretty far afield and made a sort of budget speech, and I gather that my hon. friend from South Essex is travelling in the same direction. I wonder if we could not agree, as a sporting proposition, that the hon. member for South Essex be allowed to do so, and that following his remarks the members of the committee endeavour to get down to the item under discussion. I make this suggestion merely as a matter of fairness in view of what has happened. I was interested in the remarks of the hon. member for South Huron; he made a very interesting speech, but from the point of view of procedure in committee I just suggest that following the hon. member who now has the floor we might try to do as we did yesterday and deal with the item under discussion.

Mr. GOTT: All I desire to do is to make a protest on behalf of the people whom I have the honour to represent here. I protest against onions from Bermuda and the West Indies coming into Canada free. They have three crops a year in the West Indies, all grown under cheap labour, which is going to place the onion growers of Essex county under the most severe competition which they have ever known. We have striven for a number of years against strong competition from different quarters; we are up against competition from Mississippi on tomatoes; we have competition with Virginia on cabbages; we are up against competition from Louisiana on cucumbers and competition from Michigan on potatoes. Now we are going—

Mr. YOUNG (Weyburn): Can you not stand any competition at all?

Mr. GOTT: Perhaps the hon. member might keep quiet. I do not think he is coming back to the next parliament. I think there is a wave of indignation sweeping across this country to-day against the present government, cutting such a wide swath and gaining such a momentum as it goes on that fifty budget speeches such as the Minister of Finance brought down will not save the government, and a million speeches such as the hon. member for South Huron just delivered will not save him or any of the Liberal members in western Ontario.

I want to protest against these onions from the West Indies being allowed into Canada

free. They come here under a cheap ocean rate, at any time of the year with their three crops, and the onion growers in Essex county will be up against the most serious competition they have ever experienced. I could not let this item pass without putting in my protest on behalf of the people whom I have the honour to represent.

Mr. HEAPS: Last night I raised a question as to whether the packages should be made to pay duty on entering Canada. I think last night the minister said it would be very difficult for the Department of National Revenue to differentiate between the contents of the package and the package itself. I think until the present budget was put into effect there was no duty collected on the cases in which vegetables and fruits were packed when they entered Canada, and as a result of this new method of calculating duty we have had a tremendous increase in the cost of these vegetables and fruits. I understand that in the case of lettuce the increase is from 45 cents to $1.28 per case.

Some hon. MEMBERS: No.

Mr. HEAPS: Here are the figures as we have them from people who have actually paid the duties, and I think those are the people who really should know. I am very anxious indeed that the minister should do away with the collection of duty on cases or ice in which these vegetables may be packed. I do not see any difficulty about it; I think the duty could be collected on the invoice value of the vegetables, and then there would be no need to pay a duty on that extra weight represented by the package in which the vegetables come. This is not a concession in the true sense of the word; we are simply asking for a little common sense in the administration of the new duties. You can take a case of lettuce as a very striking example. I believe the contents of that case would not weight much more than about half the total weight of the container, the ice, and the lettuce itself, yet we are asked to pay duty on the ice and on the crating which contains the lettuce. For the last time I ask the Minister of Finance to see if he cannot bring in some amendment whereby duty will not be collected on the packages in which the vegetables and fruits come to Canada, as is the case at the present time.

Mr. CAMPBELL: Mr. Chairman, for some years past doctors, dieticians, nurses and medical magazines have been telling the people that they should eat more raw vegetables and fruits, until the vegetables which are covered by these items which we are discussing to-day have become of the utmost importance. The doctors all point out to-day how important it is to eat lettuce, tomatoes, celery and other vegetables of that kind, and people have taken them at their word, and you find that even in the little country villages, during the winter time these fruits and vegetables are available to the people who desire them. Now, just when the people have acquired this taste and are taking the advice of the doctors, we come along with these almost prohibitive duties and penalize these people for doing what is most necessary in the interests of their health and the health of their children.

May I point out that I can hardly believe that this is in the best interests of the growers themselves. Supposing we allow these prohibitive duties to continue on these vegetables throughout the season; it would simply mean that up to the time they were produced in abundance in Canada people would hardly use them at all. If people get out of the habit of using them during about eight months of the year, they will not use them in any great quantities during the other four months. It would seem to me that at least outside of the period during which they are produced in abundance in Canada, we ought to give the people every chance in the world to use these vegetables, and it seems to me that by educating the people and keeping that taste alive during the winter and the off season, people will be much more liable to use the native products during the time when they are on the market. As a matter of fact, I find that the growers themselves have not asked for this duty.

Now I should like to quote some figures I received from a fruit and vegetable dealer in the city of Ottawa.

Mr. DUNNING: My hon. friend said the growers had not asked for these rates?

Mr. CAMPBELL: They have not asked for the duty throughout the whole season.

Mr. DUNNING: My hon. friend probably was not in the house last night when I indicated that I proposed to move amendments which would have the effect of restricting the application of the specific duty to seasons which the growers state are satisfactory, which would not affect the winter consumption.

Mr. GOTT: That would be what the growers have asked for.

Mr. CAMPBELL: I congratulate the minister on correcting the mistake he made at the start, at least to that extent. Now I

should like to place these figures on Hansard, which have been given me by a fruit and vegetable dealer in the city of Ottawa. On lettuce, which had a value of $1.50 f.o.b. point of shipment, the old duty was 45 cents while the new is $1.28; on strawberries the old duty was 2½ cents per quart, while the new duty is 5 cents per quart; on cabbage, the old duty was 60 cents per case of 112 pounds, while the new duty is $1.12.

Mr. DUNNING: Those figures cannot be correct.

Mr. CAMPBELL: They were given to me by a reputable dealer whose name I cannot announce publicly. On carrots, worth $2 per case, f.o.b. California, the old duty was 50 cents while the new is 85 cents; on cauliflower, valued at $1 per case, f.o.b. California, the old duty was 30 cents while the new duty is 90 cents; on onions, valued at $1 per case f.o.b. Texas, the old duty was 30 cents while the new duty is 40 cents.

An hon. MEMBER: Name your authority.

Mr. CAMPBELL: I am under an obligation not to give this name publicly.

An hon. MEMBER: Why read it?

Mr. CAMPBELL: On spinach at 40 cents per bushel, the old duty was 12 cents per bushel, while the new duty is 22 cents per bushel; on celery, valued at $3 per case f.o.b. California, the old duty was 90 cents per case while the new duty is $3; on Mexican tomatoes, the old duty was 38 cents while the new duty is 90 cents.

This dealer assures me that just as soon as the home grown vegetables come on the market in sufficient quantities, the American shipments are shut off. I have a circular letter issued by a Montreal wholesale fruit house.

Mr. DUNNING: The dealers again.

Mr. CAMPBELL: The dealers again. This was sent to the particular dealer to whom I have referred, and reads as follows:

The proposed Canadian tariff on fruit and vegetables (in effect since May 2) is working a decided hardship on the receivers and distributors of fruit and vegetables in Canada.

(1) Because it will increase the duty on imports to the consumer about 150 per cent.

(2) Because the receivers and distributors of fruit and vegetables are obliged to reduce their turnover and increase the cash outlay.

(3) Because the growers only requested a seasonable duty on a few articles but no general increase for the full twelve months.

(4) Because the fruit receivers of Canada, especially of eastern Canada are 100 per cent behind the movement of "trade within the empire," especially with Bermuda and the West Indies. Unfortunately the receipts from this source are totally insufficient (and for many years to come) to meet the demands of Canada for fruit and vegetables.

(5) The duty on the first twenty carlots of fruit and vegetables we passed since the new tariff was in effect on May 2,

| | |
|---|---|
| amounted to.. .. .. .. .. .. | $7,383 13 |
| under old tariff.. .. .. .. .. | 3,381 73 |
| | $4,001 40 |

an increase of about 118 per cent, which automatically must be passed on to the consumer.

Mr. DUNNING: That is on twenty carloads.

Mr. CAMPBELL: On the first twenty carloads. I notice that the Regina Leader, in an editorial, refers to the question of ice, and points out, apparently in a vein of sarcasm, that ice being a native product which ought to be protected, a duty on this commodity is logical. The following editorial from the Regina Leader-Post of May 7, should prove very interesting:

Here are some concrete examples the fruit men have found. A carload of lettuce arrived in Regina Tuesday. The receiving firm was called upon to pay $481.92 in duty alone. Under the old schedule the duty cost would have been $156.34. A car of strawberries also arrived in Regina Tuesday and to-day are being consumed in various homes in the city. The receiving firm paid $529.92 in duty. Under the old rate the same charge would have been $250.24. Practically the same proportion runs through a whole list of articles that Reginans use every day, cabbage, tomatoes, cauliflower and all the popular fruits that have to be imported in the off-Canadian season.

The editorial continues:

Shippers declare they are now paying duty on ice in which head lettuce and similar commodities are packed. One dealer said that he received Tuesday a shipment of green peas. Each crate contained a piece of ice. The peas in a crate weighed forty pounds. The ice and crate weighed thirty pounds. He paid duty on all three.

I have a list prepared by the Winnipeg Evening Tribune, which I do not intend to read but which shows an average increase of 118 per cent in the rates of duty paid on different vegetables. I congratulate the minister on meeting this situation as he has, but I would ask him to consider that the harder it is for people to secure these necessary articles, the less they are going to use during the season in which they are on the market. To that extent the home grower will be injured.

Mr. SPENCE: Mr. Chairman, perhaps I should deliver my speech in Irish so that I could go down in history as having been in competition with the hon. member for South Huron (Mr. McMillan). However, I will not

inflict an Irish speech upon the house. The hon. member for Huron seemed to be worried about the high protective policy of a low tariff party, as he referred to the hon. member for Vancouver Centre (Mr. Stevens), stating that he had applied the dumping duty. Let me say to my hon. friend that that was in the month of June or July, when Canadian products were on the market and at that time it had very little effect upon the prices paid. I do not know what proposals the government intend to substitute for the present ones, but I would like to express my views regarding protection for the fruit and vegetable growers.

I do not believe that they have too much protection, but I am opposed to both specific and ad valorem duties. A high tariff is not always the best protection to any industry as there are other means of helping along such an industry as the fruit and vegetable industry. There should be means of assisting this industry other than those which will take money out of the pockets of the people. I am not criticizing the government for their lack of knowledge of how to apply a tariff policy, because they have never applied a policy of any kind.

The hon. member for Marquette (Mr. Glen) made the statement that he hoped the time would soon come when the fruit and vegetable growers would have no protection whatever. Should that day ever come, there will be no fruit or vegetable growers in the country. To-day many of them are out of business because of the insufficient protection they have received since this government came into power, and before that as well.

I intend to speak from the marketing point of view, and may I say that I do not intend to speak in my own interests. I have been associated with the fruit and vegetable growers of this country for the last thirty-seven years. I know many of them throughout the province of Ontario, and I know the difficulties with which they have to contend. Their success or failure may not have depended entirely upon the tariff, as there were other conditions which they had to meet. Before I came to this house in 1922, and since that time I have advocated protection for the fruit and vegetable growers. Climatic conditions in the United States are more favourable to the growers in that country. They are enabled to produce two or three crops per year much more easily and cheaply than one crop can be produced in Canada. How can we meet that competition without protection? I have always advocated specific duties on fruit and vegetables as a means of blocking the unscrupulous dealers. These men have been defrauding the government and putting out of business those legitimate wholesale men who have paid the full duty. The Minister of National Revenue (Mr. Euler) has stopped that to some extent, but we know that five-ton trucks are leaving Toronto, Hamilton and St. Catharines to go to Buffalo where they load up with grapefruit and pile oranges all around the outside and pay the duty upon faked invoices. Specific duties afford one means of protecting the fruit and vegetable growers of this country.

The next thing I have done is that I have advocated an embargo to prevent a glut when we have in Canada a greater supply than we can consume. That happens nearly every season in connection with the different commodities as they come along. One might, however, as well talk to the town pump as to the present government. In my early days in the house I gave quite a bit of advice along this line, but it was of no avail because nobody ever listened to me. No duty of any kind could have prevented a glut on the Toronto market or other Canadian markets during the week between the 3rd and the 10th May.

Mr. GOTT: Nothing but an embargo.

Mr. SPENCE: Nothing but an embargo could have prevented a glut in asparagus. On the 3rd May, when I was in Toronto, asparagus was being sold at $3 a basket of two dozen, some a little higher and some a little lower. On that date there was a good deal of United States asparagus in the market and more coming in. I tried to impress upon my colleagues that we should cut out importations of asparagus, but they said to me: "If you do not buy it, they will ship it to you on commission, and you cannot refuse it." I said: "On that account I think it should be cut out." The result was that the following Saturday asparagus had dropped to $1.50 and many hundreds of baskets were left over that could not be sold at all.

Mr. DUNNING: The hon. member will not agree then with the statement made by the hon. member for Mackenzie with respect to the price of asparagus being increased to the consumer following the budget?

Mr. SPENCE: It dropped from $3 to $1.50 from the 3rd to the 10th May, but I say that nothing short of an embargo will give the Canadian growers the protection they want.

The same thing is true of strawberries. A duty of three cents a pound on strawberries seems very high protection, but if the United States growers have a surplus, they will dump it on to the Canadian market in Toronto or Montreal at any price. They will send the

berries in on commission and kill our own markets. Therefore I say: Let them keep their own stuff.

In Canada between Burlington and Hamilton we have developed a great district for growing melons and in that particular district we grow the best melons in the country. They grow a good quality in Leamington, but in Toronto we get more from the district between Burlington and Hamilton. Last year, in the season when our melons were at their prime and everybody wanted Canadian melons, the floors of the Toronto market were glutted with foreign melons, some of which were not fit to eat at all and some of which should not have been allowed into the country. There were such melons as honeydews, honey balls and casabas from California. I have no complaint about the Arizona or Mexican melons, but whenever we have in our markets more Canadian melons than our people can consume, the proper thing to do is to impose an embargo upon the foreign product and shut it out. It is that kind of protection alone that will safeguard our own growers.

Two years ago we had an enormous crop of carrots in Canada, but just after we had harvested our own crop in November, from, say the 15th to the 20th of December, along came Texas carrots. We had thousands upon thousands of bags of Canadian carrots on our floors and everywhere else, and we were trying to dispose of them, but as is well known, the people buy the new stuff with the result that the foreign carrots were a big detriment to the native grown. In a case of that kind let me advise the government—and if my own party were in power I should say the same thing—that those carrots should be kept out of Canada until the greater part of our own crop is consumed. Then let the foreign product in and give a fair deal to the consuming public. The price of carrots at that time was very low. In the spring they were dumped by the hundreds of bags and they could not be sold for a quarter because the market was flooded from the month of December when these Texas carrots should not have been permitted to enter at all. They should at least have been kept out until the 15th of February, if the government do not favour a complete embargo, because the people ought to be encouraged to eat our own products instead of the foreign stuff that is very expensive. For instance, the market that year for our carrots was seventy-five cents for a seventy-five pound bag. The Texas stuff was sold at $3.50 a hamper and because they were fresh vegetables with nice tops on them, they were being bought freely by everybody, probably by many who really couldn't afford to buy them. But it would take three hampers of carrots worth $3.50 apiece to fill a seventy-five pound bag after you had cut the tops off. Is it an economical way for the people of Canada to live to buy carrots at that price? I say it is not, and the government should step in and take care of the situation in some way. The growers of fruits and vegetables have been asking for a seasonal tariff, but that will not be sufficient.

[Mr. Spence.]

Mr. YOUNG (Weyburn): What season would the hon. member suggest for carrots?

Mr. SPENCE: I might suggest a season, but it would be impossible for a government to apply a measure of that kind without having somebody who was properly qualified to give them advice along that line. Some years you might apply a tariff from the first of April; other years the season might be later and you might apply the tariff from the first of May.

Mr. YOUNG (Weyburn): The hon. member said a few minutes ago he wanted carrots shut out in January.

Mr. SPENCE: I did not say anything of the kind. I said that if these carrots were kept out until the major part of the large production we have in this country was consumed, that would be better for Canada and I still say so.

I am going to give the committee some figures that I have prepared myself and that I know are correct to a cent. It has been said in the house that the growers resent the idea that they want to increase the price of their products to the consuming public. All they ask for is a fair duty and that I am prepared to give them. The horticultural council made their presentation and everyone knows who compose that body. They seem to have had a great deal of influence with the Liberal party in the last few days in getting the government to change their attitude and perhaps it is a good thing.

My belief is that a countervailing tariff should have been introduced in this country when the Fordney-McCumber tariff was put into effect. At that time many people in Canada were making money out of shipping stuff to the United States, but the Fordney-McCumber tariff cut off 60 to 75 per cent of our exports. That was the time to introduce countervailing tariffs and not to-day. My idea is that an embargo is the only thing that will be of any use.

Mr. MILLAR: Does the hon. member approve of countervailing duties to-day?

Mr. SPENCE: I am not giving it much consideration just at present.

Mr. YOUNG (Weyburn): Would the hon. member put an embargo on peaches?

Mr. SPENCE: I would put an embargo on everything of which we produce in this country a sufficient crop to supply the demand.

Mr. YOUNG (Weyburn): Would the hon. member put it on peaches?

Mr. SPENCE: Anything at all.

Mr. YOUNG (Weyburn): On pears?

Mr. SPENCE: Yes.

Mr. YOUNG (Weyburn): And yet we cannot produce enough to supply the local market.

Mr. SPENCE: We can at certain seasons of the year. I am not advocating the imposition of an embargo except at seasons of the year when we can supply the demand. My hon. friend will not lose a cent by it, so he need not worry about his free trade philosophy. We have a secretary belonging to our association and during the first week this new tariff was put into effect we engaged him to go around the different warehouses and find out the amount of duty that was paid. During the first week the amount was $25,643.96, whereas under the old tariff the amount would have been $13,059.84, so that there was an increase of $12,584.12. Yet the government tells us that it wants to reduce taxation. Is that reducing taxation? It is taking money out of the pockets of the people who can least afford to pay it.

Mr. DUNNING: How many cars were involved?

Mr. SPENCE: He took, not the number of cars, but the amount of stuff that came in and the duty that was paid. That applies only to jobbers who belong to the association. You can add 50 per cent for the people who do not belong to the association, who are working independently. To my mind, both an ad valorem and a specific duty should not be applied.

Let me give the cost to a cent of some actual cases that came in in several cars of stuff on the 3rd of May.

Cauliflower runs about one dozen head to the crate, sometimes thirteen to fifteen. The figures are as follows:

Cauliflower, Dozen Size

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $1 00 | Cost in United States | $1 00 |
| Duty | 0 30 | Duty | 0 84 |
| Freight | 0 97 | Freight | 0 97 |
| | $2 27 | | $2 81 |
| Increased cost per case | 0 54 | | |

An hon. member said that the price of cauliflower had been raised by the budget 3 cents per head, but the figures I have just given work out to a good deal more than 3 cents per head.

Celery

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $3 75 | Cost in United States | $3 75 |
| Duty | 1 13 | Duty | 2 60 |
| Freight | 2 93 | Freight | 2 93 |
| | $7 81 | | $9 28 |
| Increased cost | $1 47 | | |

The middlemen are always accused of robbing the public, but can you see, Mr. Chairman, how the middleman can make money on a case costing $9.28. Every time the price goes up, the less you sell, and the less profit there is.

Mr. DUNNING: How much celery is there in a case?

Mr. SPENCE: From four and a half to six dozen. At this time of the year they are very large heads. The unfair thing about it is this: We are paying for the weight of the boxes. We pay 2 cents a pound on the weight of the case that the celery comes in, and the same with regard to the cauliflower.

Mr. DUNNING: If my hon. friend will permit me, the secretary of the horticultural council tells me that the tariff made a difference on May 10 of 42 cents on sixty bunches of celery.

Mr. SPENCE: I am figuring by the case.

Mr. DUNNING: I was trying to get down to the actual increase, and it worked out at two-thirds of a cent on a bunch of celery on May 10.

Mr. SPENCE: I think it works out over two cents a bunch increase.

California Carrots

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $1 75 | Cost in United States | $1 75 |
| Icing, freight and refrigeration | 1 49 | Icing, freight and refrigeration | 1 49 |
| Duty | 0 53 | Duty | 1 74 |
| | $3 77 | | $4 98 |
| Increased cost, per case | $1 21 | | |

Mr. DUNNING: The secretary of the horticultural council says that the difference is 38 cents per sixty bunches.

Mr. SPENCE: I am talking about cases. I am giving the absolute cold facts as to shipments that have come in, and I can swear to them.

Cabbages a few months ago were very high, and an ad valorem duty was applied. When cabbages were $5 a case in Texas, an ad valorem duty of 30 per cent was applied. But since the cost of cabbage has come down, the consuming public can afford to get a cheap bite. The figures are as follows:

Cabbage

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $2 00 | Cost in United States | $2 00 |
| Freight and icing | 1 73 | Freight and icing | 1 73 |
| Duty | 0 60 | Duty, including crate | 1 20 |
| | $4 33 | | $4 93 |
| Increased cost | 0 60 | | |

What I do not like about that is that the crate containing the cabbage weighs from 18 to 22 pounds, and we have to pay a cent a pound on that, which adds one-quarter of a cent to the cabbage in the crate. Here are some figures on Texas carrots.

Texas Carrots (in 100 pound bags)

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $1 00 | Cost in United States | $1 00 |
| Freight and refrigeration | 1 55 | Freight and refrigeration | 1 55 |
| Duty | 0 30 | Duty | 1 00 |
| | $2 85 | | $3 55 |
| Increased cost, per case | 0 70 | | |

That makes a difference of 70 cents in duty alone on one bag of carrots, or an increase of over 250 per cent. I am not accusing the government of doing something wrong because I do not think they knew just what they were doing. Here are some figures on lettuce:

Lettuce

| Under old duty | | Under new duty | |
|---|---|---|---|
| Cost in United States | $2 00 | Cost in United States | $2 00 |
| Icing and freight | 1 62 | Icing and freight | 1 62 |
| Duty | 0 60 | Duty | 1 14 |
| | $4 22 | | $4 76 |
| Increased cost, per case | 0 54 | | |

As all hon. members know, lettuce is packed in layers with a layer of ice in between, and the ice in a crate will weigh 20 to 25 pounds at the shipping point. The ice melts in transit and the water soaks into the wood as it melts. Now we are charged for the ice and the water that has melted and soaked into the wood; and we are charged for the wood too. It comes to a good deal more than 1½ cents a pound; it will be 2 cents a pound. The wood in a case of lettuce will contain a certain amount of moisture and weigh more on that account. In the old days we paid an ad valorem duty of so much on the case, and the only people interested in the weight of the crate were the railway people, and they always succeeded in making it a little more than it was. The middlemen are criticized by everybody and are called robbers, but if we were able to get money out of the pockets of the people as the government does, and at the same time make people believe that taxation is being reduced, we should have a happier time than we do have now.

Mr. EVANS: To come back to the item under consideration, on this car of onions that came into Winnipeg I find that the old duty would have been $165, and the new duty is $231, or an increase of 40 per cent.

Mr. DUNNING: Who says so?

Mr. EVANS: It is furnished here.

Mr. DUNNING: By whom?

Mr. EVANS: By the Winnipeg Tribune. Is that not true? Is it the intention of the government that onions should be raised in duty 40 per cent? Does the minister understand that the new tariff will work out that way, or what?

Mr. DUNNING: In a normal season the tariff will be exactly what it has been.

Mr. GLEN: We are dealing somewhat at large with several items. The discussion has wandered from onions to fruits and vegetables, and I think it is well at this juncture that I should say something in reply to the leader of the opposition who addressed some remarks to me last night.

He asked why I supported the budget. In the first place, I think the hon. leader of the opposition had better clean his own doorstep before accusing anyone else because, as I remember the vote on the budget, there were three members of the Conservative party who were of a similar mind to myself in that they could vote for the budget because of certain things contained in it—

Mr. BENNETT: Because of personal promises they had given.

Mr. GLEN: Personal promises have nothing to do with public records.

Mr. BENNETT: That is what we thought.

Mr. GLEN: They saw in the budget certain provisions which they considered of value to their constituents. No one, and least of all the leader of the opposition, would have any right to discipline his followers. Are they to be bound by all the provisions of the budget, or will you say to them: Yes, you can support the budget because of these items which we can favour, and you can protest against those that we do not favour. That must necessarily be the conclusion. But let me say, Mr. Chairman, that the leader of the opposition by his words has indicated to his followers just what attitude they should adopt. It was apparent when he spoke that several of his followers were kicking over the traces, and when they were making their statements his face was a study in black and white. At page 1822 of Hansard of May 6, the leader of the opposition in dealing with the iron and steel schedules, which are the largest items we have in the budget, said:

> With relation to the iron and steel industry in all its complicated schedules, I have only this further to say. In committee we will have the fullest opportunity to hear explanations with respect to every item, the relation of one item to another, and the revenues that may be expected from the application of the tariff in the particular way indicated. It would be a waste of the time of this house for me to endeavour to go over these items in detail.

There we see that when he gets full information with regard to the items in the tariff he will be in a position to approve or disapprove of them. Now, if the hon. leader of the opposition intended to approve of any of those items he had no licence to vote against the budget; if he intended to disapprove of all he should certainly have voted against the budget. But he did not know what he would do. In my judgment his proper course was to let the budget go to committee of ways and means, where he could register his approval or dissent as he thought fit and could do so more intelligently. But, no, he votes against the budget on the amendment which he moved and which will be found at page 1834 of Hansard. Let me quote it:

> That all the words after the word "That" be struck out, and the following substituted therefor:—
>
> "while this house welcomes and approves of every measure that will afford to Canadian agriculture, industry and labour an equal opportunity and fair competition in the development of the rich and varied natural resources of the Dominion, and provide for the extension of inter-empire trade by mutually advantageous preferences and agreements, with due regard,

in either case, to the interests, of consumers, it is of opinion that the proposals which were submitted by the Minister of Finance on May 1, are in several important respects so completely at variance with the policies of this government, as heretofore declared by its official leaders in parliament and elsewhere, that this administration having lost the confidence of the country, cannot safely be entrusted with the direction of the fiscal policy of Canada nor the carrying into effect of proposals to which it has heretofore been opposed and which constitute a breach of its solemn pledges to the electorate, and which are deceptive, fail to estimate the financial results of their operations and which create distrust of and contempt for representative institutions."

Now, Mr. Chairman, I should like you to note the words:

—are in several important respects as completely at variance with the policies of this government,—

The only assumption is that there are included in the budget, proposals which do not come within the four corners of the amendment, but which the leader of the opposition approves. Yet he endeavours to convey the impression that when one votes for the budget he thereby approves of all its provisions.

Mr. BENNETT: And against the amendment.

Mr. GLEN: No. The hon. gentleman's words imply that there were several proposals in the budget with which he is in favour, but he voted against them.

Mr. BENNETT: I voted for the amendment.

Mr. GLEN: But surely the converse must be true also, that when one votes against the budget he therefore disapproves of all its provisions. Now, I think the hon. leader of the opposition is too shrewd to permit himself to get into that difficulty. He knows that when he votes against the budget, according to his reasoning in the first instance, he must therefore disapprove of all its provisions. What after all is the meaning of his amendment? Simply this, that the administration has lost the confidence of the country. It is not an amendment to the budget. It simply asks for a vote of no confidence in the government. No doubt it was framed to catch the votes of certain hon. gentlemen opposite, and it was so far successful in that only three escaped.

Now, Mr. Chairman, there are provisions in the budget which I favour, and without any doubt in my judgment the most important of those provisions is the British preference. Like the hon. leader of the opposition, I must leave it to the committee of ways and means stage to deal with them in detail. I realize, as all members do, that what advantage will be taken of these provisions only the future can determine. But what does the hon. gentleman say? In one breath, at page 1923, he says:

As an earnest of our affection and goodwill, as an expression of the hope we all have that some day a closer economic alliance of empire states may find being, I commend the measures for British preference which the minister proposes.

And yet further on the hon. leader of the opposition qualifies that by these words:

To grant trade preferences to another state or empire without founding those preferences on a mutually helpful treaty is unsound business, profitless and filled with ill will and misunderstanding.

Now, I should just like to suggest to the hon. leader of the opposition—

Mr. GOTT: I rise to a point of order, Mr. Chairman.

Mr. GLEN: I am replying—

Mr. GOTT: I rise to a point of order, Mr. Chairman. A few minutes ago the Finance minister asked us to curtail our remarks. I did so, at his solicitation. The hon. gentleman has not yet referred to the subject before the committee.

The ACTING CHAIRMAN (Sir Eugene Fiset): I think the point of order is well taken. The discussion has wandered all over the budget for the last two hours. The item under discussion is onions.

Mr. GLEN: Mr. Chairman, I am dealing with the free importation of onions from the British isles, and I am following on the lines that were adopted by the hon. gentleman's leader in answering his remarks. If the hon. leader of the opposition was in order then, I am absolutely in order now in replying to his remarks. I was going to suggest that the Right Hon. Ramsay MacDonald—

Mr. McGIBBON: Are we to understand, Mr. Chairman, that your ruling is ignored?

The ACTING CHAIRMAN (Sir Eugene Fiset): Again I declare the item under discussion is onions. When the hon. leader of the opposition made his speech we were not in committee.

Mr. GLEN: Yes, Mr. Chairman, we were in committee, and the hon. leader of the opposition said that as my reply would take five minutes he had not the time to grant it. I am now replying to him, and I think it very bad tactics on the part of the opposition members to refuse me an answer to what their leader said. I am quite satisfied that he does not approve his follower's action.

Mr. BENNETT: The hon. gentleman will remember that last evening he spoke first and I replied to him. This is the rejoinder.

Mr. GLEN: The hon. the leader of the opposition asked several questions. I wanted to reply, but permission was not granted.

Mr. DUNNING: In the interests of the conduct of parliamentary business may I ask when this reply, rejoinder and re-rejoinder is to end. I am not criticizing one side more than the other, but may I state that we are really not dealing with onions at all.

Mr. CHAPLIN: The hon. minister suggested that the matter be closed at the conclusion of the remarks by the hon. member for South Essex (Mr. Gott). That hon. gentleman shortened his remarks in order to meet the views of the minister; yet the item is dragged out.

The CHAIRMAN: That is the reason I am calling the attention of the hon. member to the item under discussion.

Mr. GOTT: I could talk for a week on onions, because I know my onions.

Mr. GLEN: I purpose to speak on the British preference so far as it applies to onions. The extension of the British preference has a distinct parallel in a matter of great historical moment which has happened recently. When Mr. Ramsay MacDonald made his offer to Mr. Hoover to have the disarmament conference and when Mr. MacDonald visited the United States and unconventionally sat upon a log to discuss matters with the American president, he made what I thought was the greatest gesture towards peace. The conference has taken place. Resolutions have not been introduced to substantiate the views of either of these gentlemen; nevertheless no one will say that the conference was not of sufficient importance to bring matters before the world. There is a distinct parallel in the present instance.

Mr. GOTT: I say that the ruling of the chairman has been completely ignored.

The CHAIRMAN: There is no doubt about it that the remarks of the hon. gentleman are entirely out of order and I would ask him to direct his remarks to the item under discussion.

Mr. GLEN: The Minister of Finance has made an offer to Great Britain of a British preferential tariff, and the item under discussion is one of the items affected. I draw a parallel between the action of the disarmament conference and that of the present Minister of Finance, although they are along different lines. I hope the results derived from the British preference are as great as those anticipated by the minister. However, no matter what the results might be, and no matter what may be achieved by the minister, no one can say that the gesture of Canada towards Great Britain is not a worthy one To adhere to the point of order raised; I wish to say that I intend to support the item of onions.

Mr. GOTT: You have not said much about it so far.

Mr. GLEN: I am supporting the item of onions under the British preference for the same reason I voted for the budget, because it contained in a large measure other items which would be affected by the same preference. I must say that I do not approve of certain proposals contained in the budget; I have already made myself clear on that point. My viewpoint has been confirmed by no less an authority than the leader of the opposition. It is an unexpected pleasure to find that hon. gentleman saying that prices would be raised to the consumer.

Mr. BENNETT: The hon. gentleman is thinking of the Minister of Trade and Commerce (Mr. Malcolm). It was the Minister of Trade and Commerce who said that duties which kept out imports brought about domestic competition and cheapened goods to the consumer.

Mr. GLEN: I never knew the leader of the opposition was a free trader, nor did I know that he would agree that a tariff placed upon goods would increase the price to the consumer. Now he places it upon record, and he also said in London that there would certainly be an increase in price to the consumer. In the Toronto Globe of May 17 he is quoted as saying that the new tariff would cost Toronto about $2,000,000. I do not know where he got the figure $2,000,000, but probably it was just an intelligent guess.

Mr. BENNETT: No, it is not just an intelligent guess. It is based upon the consumption of some 800,000 people in Toronto at a time when Canada is not supplying the fruit and vegetables in question. The tariff that the government has placed upon them means that much more money to be paid by the city of Toronto.

Mr. DUNNING: Did my hon. friend take into account in his calculation the importations from the British West Indies?

Mr. BENNETT: No.

Mr. DUNNING: That would seem to have been a very important omission.

Mr. GLEN: The hon. gentleman also said in Toronto that the consumers would pay, and he asked who would receive the benefit. His answer was that it would not be the farmer. I do not want any better corroboration than that.

Mr. BENNETT: I must say that the hon. gentleman is very easily satisfied.

Mr. GOTT: If the kind of speech my hon. friend is making disconcerts his audiences when he is electioneering as much as it annoys the opposition there will not be a Liberal elected in Ontario.

Mr. GLEN: It may be that the leader of the opposition is not the man who is declaring the policies of the opposition party, because at a meeting addressed by Premier Ferguson I find that that gentleman disagreed somewhat from the policy of the leader of the opposition.

Mr. COTNAM: I rise to a point of order. The hon. gentleman has not been directing his remarks to the item under discussion, and he has completely ignored the ruling of the chair.

The CHAIRMAN: I am afraid the hon. gentleman is not the only sinner, but I must say he is coming somewhat closer to the item than he did before.

Mr. GLEN: I repeat that the leader of the opposition is apparently not the only leader of the party opposite. I find that in the city of London the premier of Ontario attempted to lay down the policy of the Conservative party. I had understood that the premier of Ontario had stood aside in order that the present leader of the opposition party could rule and control his party. I find, however—

The CHAIRMAN: I shall have to call the hon. gentleman to order. He has transgressed the rules of procedure.

Mr. GLEN: After the words of the premier of Ontario—

The CHAIRMAN: Order.

Mr. BENNETT: The remarks of the hon. gentleman constitute contempt of the rules of the house.

Mr. GLEN: I think that the leader of the opposition has had his tariff made for him, and he will have to find some other policy upon which to go to the country.

[Mr. Bennett.]

Mr. GOTT: Has the minister any idea how many onions will come in from the British West Indies and from Bermuda?

Mr. DUNNING: During the last calendar year 3,913 crates came in.

Mr. GOTT: How many pounds are there in a crate of onions?

Mr. DUNNING: I do not know.

Mr. GOTT: If the industry were reasonably protected we could grow sufficient onions in the county of Essex to supply the whole of Canada.

Mr. HEAPS: Is it still the intention of the department to include crates and packages in compiling the duty?

Mr. DUNNING: I have consulted with the Minister of National Revenue (Mr. Euler) regarding the administrative features with which he dealt with last evening. He informs me that he finds it very difficult to devise any means whereby the package could be eliminated from consideration. As a matter of fact, in setting the specific duties, my hon. friend understands that the weight of the package is only a factor when the specific rate applies; it is not a factor under the ad valorem rate. In computing the rates which ought to be charged under minimum specific rates, allowance was made in each case for the ordinary package. That is to say, from the point of view of the growers the specific rate would be higher than is stated in the proposals if the package were eliminated from consideration. The difficulty is in administration, and it will be a great deal easier to administer if the package of lettuce, onions, or whatever it may be, is simply treated as such for duty purposes when the specific rate applies. When the ad valorem rate applies the weight of the package does not apply at all. I think my hon. friend's difficulty will be largely removed when we get to the items upon which I propose to move amendments which will reduce the application of the specific minimum to certain short seasons of the year.

Mr. GOTT: I warn the minister that if this arrangement goes through it will have the same effect with regard to our onion growers as the New Zealand treaty had with regard to butter producers.

Mr. CHAPLIN: Is this one of the fifty items, or is this one under which we expect to have increased business?

Mr. DUNNING: Yes, with the West Indies we expect to do an increased business in the off seasons.

Mr. CHAPLIN: My understanding is that last year these articles were admitted free from the West Indies.

Mr. DUNNING: Yes, my hon. friend is right; there is no change.

Mr. CHAPLIN: Then you cannot expect to get any extra business owing to a change?

Mr. DUNNING: There is not any change.

Mr. CHAPLIN: I asked the minister a question and he did not answer me. I asked the question: You do not expect to have any increased business owing to the preference under this item?

Mr. DUNNING: Well, of course there is the imposition of the minimum rate under the general tariff, which has the effect of widening the British preference as far as the West Indies are concerned during the season in which the specific minimum will apply which in this case, is all the year.

Item agreed to.

Customs tariff—85. Mushrooms and truffles, fresh, dried or otherwise preserved, the weight of the package to be included in the weight for duty: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than ten cents per pound.

Mr. CHAPLIN: I should like to get some information under this item. What were the total importations of mushrooms?

Mr. DUNNING: They are untraceable, because mushrooms formerly were in the general vegetable basket, n.o.p.

Mr. CHAPLIN: I think the minister must be mistaken, because I have a return here showing an importation of 800,000 pounds.

Mr. DUNNING: My hon. friend is not speaking of fresh mushrooms; he is speaking of canned mushrooms which come in under another item entirely.

Mr. CHAPLIN: These are fresh, dried, or otherwise preserved. They are not only fresh mushrooms; the full item is 800,000 pounds.

Mr. DUNNING: My hon. friend is surely quoting the wrong item.

Mr. YOUNG (Weyburn): The word is "or," not "and."

Mr. CHAPLIN: I am speaking to the minister, who knows something about these matters, with the help of his assistants.

Mr. DUNNING: I think my hon. friend is quoting the new item rather than the old one. The new item reads "Mushrooms and truffles, dried or otherwise preserved." The old item was 87, which included vegetables, n.o.p., at 15 per cent, 27½ per cent and 30 per cent, or item 86 which included preserved vegetables generally.

Mr. CHAPLIN: At any rate, last year's importations amounted to 800,000 pounds, and we may assume that there will be a similar importation this year, which will come under this heading. Will canned mushrooms come in under this item as well?

Mr. DUNNING: I cannot say as to the imports, but they will come under this item.

Mr. CHAPLIN: Whatever imports there are will come in under this item, then. I find that out of that importation of 800,000 pounds only 24 pounds came from the United Kingdom, and the bulk of the trade came from France. I want to find out what was the idea of the minister, whether he thought that trade would be diverted from France?

Mr. DUNNING: It is one of those absurdities of which I spoke yesterday. That is not regarded as likely.

Mr. CHAPLIN: Then it is really an absurdity to make the item free.

Mr. DUNNING: No; I regard it as a greater absurdity to have a tariff against the United Kingdom on an article which we do not import from there, and which cannot come from there.

Item agreed to.

Customs tariff—86. Beets for the manufacture of sugar: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. FRASER: What were the imports under this item?

Mr. DUNNING: They entered formerly under a general item. We cannot trace these beets separately because they were included in a general item before.

Mr. MANION: What else did the general item cover?

Mr. DUNNING: Vegetables, n.o.p.; it was the whole of the remainder, in the old tariff.

Mr. CHAPLIN: There could not have been any quantity of beets brought into the Canadian market for this purpose. Our importations of beets were only 45 tons.

Mr. DUNNING: We exported $245,000 worth.

Mr. ROSS (Kingston): From what part of the British Empire does the minister expect these beets for the manufacture of sugar to come?

Mr. DUNNING: I do not expect them to come from anywhere.

Mr. MANION: What were the importations of beets last year?

Mr. DUNNING: They came in under the item of vegetables, n.o.p., to an untraceable extent.

Mr. ROSS (Kingston): What is the idea of this change?

Mr. DUNNING: We are giving a classification to beets now; we are trying as far as possible to get away from the so-called basket items, which have the effect of making it impossible for us to know what is imported of the different varieties of vegetables. We are separating them into their own classes for the future, so that our statistical information will be of greater value than it has been in the past.

Mr. ROSS (Kingston): Is this one of the 50 items?

Mr. DUNNING: Yes.

Mr. SPENCER: I should like some information as to what quantity of beets was exported to the United States from Canada?

Mr. DUNNING: We exported sugar beets to the value of $245,000.

Mr. MANION: What were the total imports under the item of vegetables, n.o.p.?

Mr. DUNNING: They amounted to $1,700,000, including all sorts of stuff.

Mr. MANION: Scattered from all over the world? Where was the large proportion from?

Mr. DUNNING: It includes a number of items we are now separating. The total imports amounted to $1,726,000 of which $1,677,000 came from the United States.

Mr. MANION: Practically all of it.

Mr. DUNNING: From the Netherlands we imported under this item articles to the value of $4,000; from Mexico, $3,000; from France, $1,400; from China, $2,000; from Hong Kong, $37,000. These are the principal amounts in the total which I have given as coming in under the item of vegetables, n.o.p. Of course that includes all sorts of strange things, as my hon. friend can understand.

Item agreed to.

[Mr. Dunning.]

Customs tariff—87. Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:

(a) Asparagus: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than three cents per pound.

Mr. DUNNING: This is the first of the items upon which I propose to offer an amendment. I will ask my colleague the Minister of National Revenue (Mr. Euler) to move the following amendment:

That after the word "rate" in line three, the following words be inserted: "from April 15 to May 31 inclusive."

The item would then read:

Provided that when imported under the general tariff rate from April 15 to May 31 inclusive, the duty shall be not less than three cents per pound.

Mr. MANION: What are the imports of this item, and where from?

Mr. DUNNING: This is another one which is in the basket; it is included in the $1,700,000 worth of general vegetable imports.

Mr. CHURCH: Mr. Chairman, I desire to call the attention of the minister to the injury he has done during the past few weeks to the consumers of this country. The restaurants in the city of Toronto have raised their charges for vegetables by 50 per cent. These charges were raised on May 3, immediately after the budget was presented. What does the minister propose to do to protect the consumer? There is no need of the Canadian National Exhibition sending over to Japan and paying thousands for a troupe of acrobats and tumblers to perform before the grandstand when we have enough acrobats and tumblers in this government to give all the performances needed.

We have been hearing about onions, and more especially a brand known as the Glen onion. The hon. member for Marquette (Mr. Glen) shed copious tears for the poor vegetable growers on the prairie after voting for the budget. This wonderful onion should be called after him and exhibited out at the experimental farm so that the people could see how one can blow hot and cold for protection and free trade at once. The restaurants of Toronto have raised their prices during the past week, as appears from a statement in the Evening Star of May 19, made by the head of a large restaurant company in Toronto, as follows:

"The duty on vegetables will be passed on to the consumer within the next few days", stated M. McCann, president of the Martin Cafeteria Company, Ltd., when asked to-day about the effect of the Dunning budget on restaurants.

"At present we charge the public 15 cents for a portion of celery, but we will have to charge them 25 cents from now on," declared Mr. McCann. "It is absolutely impossible to buy Canadian celery until the fall and the duty makes the American product prohibitive in price. We have only one course open to us, namely to pass the charges on to the consumer and that is what we will have to do.

Take strawberries, grapefruit, iceberg lettuce, spinach, green peas, beets and cabbage for instance. All of these articles are now almost prohibitive in price under the new tariff.

It means that we will have to raise prices and the consumption of these vegetables will fall off. It doesn't help the Canadian grower any. We always use Canadian vegetables in season.

We are already protesting to the government through the medium of our association, the Ontario Restaurant Association.

Some of our Toronto members are Muirheads, Hunts, Sparfield's, Stoodleigh, Ellen Bradley, and McConkey's.

When the public find the price of all their favorite vegetables up by 50 per cent they'll soon kick."

Such a row is going to be raised as the Minister of Finance never heard before. The minister brought down his budget speech on May 1, but he is now introducing a second budget speech covering one of the most important industries we have in Canada. I have in my hand a list of prices prevailing on the St. Lawrence and North Toronto markets, which show increases of from 20 to 30 per cent on some vegetables on the May 1st tariff. Toronto expects to entertain next month over 300,000 Shriners and there is going to be they say scarcity of food. The following advertisement was issued by the Loblaw Groceterias, Limited:

Prudent housekeepers are buying their staple grocery—

And vegetable—

requirements now. The experience of large American cities where the Shriners' conventions have been held was that the supplies of food products were almost depleted before the convention was over. All our busy groceterias are now well stocked with quality merchandise at the usual Loblaw low prices.

Other stores are issuing the same type of advertisement on food and vegetables. The consumer is going to be made to pay. What kind of advertising will this be for Canada when these visitors come here and find that they have to pay 50 per cent increase for a half grapefruit?

What does the minister intend to do to protect the consumer who has been thus fleeced during the past two or three weeks? We cannot blame the wholesaler because he has to raise his price to the middleman, who in turn passes it on to the retailer. The latter is not to blame. The consumer has to pay it all. There are over 150,000 people in downtown Toronto who find it hard enough now to have to pay from 25 to 50 cents for a luncheon, but these prices have been raised to as high as 75 or 80 cents.

Where is this wonderful Consumers' League; where is it and what is it? Where is this great Mr. Deachman who spends so much time before the tariff board? How is the hon. member for Marquette going to protect the consumer? He came in as a free trader, but he is now a high protectionist. He voted one way for the budget and then he adopted another attitude regarding the resolution. We have quite an exhibition of hon. members across the chamber tumbling over each other and turning handsprings to get on the protectionist band wagon before the great catastrophe which will occur within a few weeks.

What is the minister going to do about the conscription of food to supply these 300,000 visitors? What is he going to do to protect the consumer? What is he going to do to protect the middleman and the retailer and regulate prices. Is the hon. minister going to put an item in the supplementary estimates to return to these poor working people the extra money they have been forced to pay the restaurant owners? This is an illustration of the kind of budget which has been presented. There have been a lot of hallelujahs, hurrahs and hosannas, but the small wage earner will be forced to pay 75 or 80 cents under the new tariff of May 1st for a meal which cost him previously from 30 to 40 cents. Young people will be forced to leave restaurants because they could not pay the prices charged. One owner told me that this tariff had raised the rates 50 per cent, and that increase had to be passed on to the consumer. These people may be forced to go without luncheon because of these increased prices. They cannot spend money like water as do some members of the Consumers League who appear before the tariff board. So I am now glad to see the change of heart which will restore the old prices. The rates charged the past two weeks were prohibitive.

Who put the gun to the minister's head and made him bring in a second budget? The minister announced in his speech that this budget was to be so-and-so, but he now offers an amendment to one of the items. Is he going to bring in an amendment to every one of the remaining 350 articles in the schedule? Are we going to have another budget speech? The British chancellor would stick to his guns and would refuse to change his budget one iota once it had been brought down. But in the

house we have a wobbly kind of tariff; nobody knows what it is to be until the people get it in their tax bills directly or indirectly. Therefore there should be some protection for the 600,000 people of Toronto and for the 300,000 Shriners who are coming to Canada next month. These people are visitors and they should not be charged extortionate rates all along the line as a result of this tariff. Once these prices are raised many dealers are not going to lower them. The people of the west have been complaining for many a day in regard to the taxes imposed in the tariff and the complaint is not going to be lessened by the tariff the minister has put on this particular item.

Mr. CHAPLIN: Would the chairman kindly read the amendment again?

Mr. DUNNING: As to asparagus?

Mr. CHAPLIN: This is, I understand, an amendment the minister is going to move in respect to other items also.

Mr. DUNNING: It will not be identical as to dates. The date is specific in this case.

Mr. CHAPLIN: When did the minister become converted in regard to this proposition? Yesterday he told us he might change his mind in a year, but I do not think he ever intended he would change it every week.

Mr. GOTT: And on every item.

Mr. CHAPLIN: Yes, on every item. Let me read what the minister had to say a few days ago when he delivered his budget speech. Speaking on the item of vegetables, he said:

> In revising the customs tariff on fruits and vegetables the government has given serious consideration to the representations of growers and consumers, as presented on several occasions before the Tariff Advisory Board.

Mr. LACOMBE: Hear, hear.

Mr. CHAPLIN: Somebody says: "Hear, hear." If the minister and the cabinet gave the matter such serious consideration, they must have come to a serious conclusion.

Mr. LACOMBE: This is a serious conclusion.

Mr. CHAPLIN: That is what I am anxious to know, because I am afraid it is not. I think this will show it is not. The minister continued:

> The irregular nature of the severe competition which Canadian producers frequently face from the earlier-maturing crops of other countries has been weighed in the light of various suggested remedies, most of which were found to have inherent defects, a fact long since recognized by the growers themselves.



This is the choice item:

> Seasonal tariffs, for instance, are not applicable to a country such as Canada, with its extremes of distance, latitude and climate.

Is it any wonder that my hon. friend opposite says we have now reached a point where we are getting somewhere; that it is serious. I think the minister should make some explanation of his change of heart within a week or so. The statement I have read is reported on page 1629 of Hansard and is taken out of the budget speech of the minister himself.

Mr. STEVENS: Distances have shortened; climates have changed; latitudes have changed also.

Mr. DUNNING: Probably neither of my hon. friends was in the house last night when I spoke of this matter.

Mr. CHAPLIN: I think I was present.

Mr. DUNNING: It was quite evident on checking over the representations made by the growers—and as I said last night, I pay particular attention to those who are growing anything in this country—that to arrange any season which would be acceptable at one and the same time to the growers of British Columbia, of the middle west, of Quebec and of the maritime provinces, would be a most difficult matter on many of these items. The growers have met me since the presentation of the budget and have suggested to me seasons which they say they can themselves agree upon. I submit that they know their own business much better than I could and perhaps they know it as well as the hon. member for Lincoln. I am content to propose to the house a reduction from the original proposals which is involved in the growers' suggestion as to dates between which the specific minimum duties proposed in the budget should apply instead of in some cases all the year round. I am content to take the responsibility and whatever odium attaches to it. I think the growers will themselves believe that I have endeavoured to give fair consideration to their requests; and at the same time I had in mind views expressed by hon. gentlemen on all sides of the house with respect to the desirability of reaching, if at all possible, such a conclusion.

Mr. GOTT: Have the growers intimated that a duty of three cents a pound on asparagus from April 15 to May 31 will be sufficient to safeguard the Canadian market?

Mr. DUNNING: I cannot say that the growers in every case are satisfied with the specified rate, but they are satisfied with and recommend the dates between which the specific rate will apply.

Mr. STIRLING: Do I understand that the minister wishes the committee to believe he has made these alterations as a result of representations made to him by the growers since the introduction of the budget?

Mr. DUNNING: I stated that since the budget I had had conferences with the growers' representatives and that these proposals which I am making as to dates are the result of those conferences.

Mr. STIRLING: Then I think I should draw the attention of the committee to the fact that these seasonal dates which the minister now suggests are those which the growers have had before the Tariff Advisory Board for three or four years. Surely that is not why the minister has seen fit to make this alteration.

Mr. DUNNING: The dates are not the same in all cases.

Mr. STIRLING: They are very close. In an endeavour to assist so far as the growers could at this late date, they certainly have agreed to the alteration of a date here and there, but surely the minister does not wish the committee to believe this change of front on the part of the government is due to representations made to him by the growers since the introduction of the budget.

Mr. STEVENS: A change which he rejected in his budget speech.

Item as amended agreed to.

Customs tariff—87(b). Beans, green: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—87(c). Brussels sprouts: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.
Provided that when imported under the general tariff rate, the duty shall be not less than four cents per pound.

Mr. DUNNING: There is an amendment here.

Mr. ELLIOTT: I move that the following be substituted for item 87 (c):

87(c). Brussels sprouts: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DUNNING: There will then be no fixed specific minimum in the case of Brussels sprouts and the only change from the old tariff will be a reduction from 15 per cent to free under the British preference.

Mr. GOTT: What will the rate be now per pound?

Mr. DUNNING: There will be no specific duty per pound. The duty will be an ad valorem one.

Mr. STIRLING: Thirty per cent under the general tariff?

Mr. DUNNING: Yes.

Mr. STIRLING: Any date?

Mr. DUNNING: Any date.

Mr. GOTT: That is the year round, not seasonal?

Mr. DUNNING: The year round.

Mr. STIRLING: Will the minister kindly say whether beans, green, have been altered in any way?

Mr. DUNNING: Beans, green, are exactly as they appear in the budget items.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(d). Cabbage: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.
Provided that when imported under the general tariff rate, the duty shall be not less thane one cent per pound.

Mr. DUNNING: I move in amendment to insert the following after the word "rate" in line 3, "from June 15 to January 31 inclusive." The item will then read: Cabbage, provided that when imported under the general tariff rate from June 15 to January 31 inclusive, the duty shall be not less than one cent per pound.

Mr. McGIBBON: I think we all must admire the ability of the minister and of the government to swallow themselves, to steal the policy of the party opposite, try to make it their own and get away with it in the country. If a farce has ever been enacted in any other legislature in the world that can equal this, I certainly have never heard of it. I think, Mr. Chairman, and I believe the country will be of the same opinion, that it is now time that the party that has written the prescriptions for the good of this country for so long should collect the fee, and we will do that after the next election.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(e). Carrots and beets, n.o.p.: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound.

Mr. DUNNING: I move that this item be amended by inserting after the word "rate" in line 3, the words "from June 1 to February 28 inclusive." The item will then read: Carrots and beets, n.o.p., provided that when imported under the general tariff rate from June 1 to February 28 inclusive, the duty shall be not less than one cent per pound.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(f). Cauliflower and eggplant: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

Mr. DUNNING: I move to amend this item by adding after the word "rate" the words "from May 15 to October 31 inclusive." The item will then read: Cauliflower and eggplant, provided that when imported under the general tariff rate from May 15 to October 31 inclusive, the duty shall be not less than two cents per pound.

Mr. COOTE: Can the minister explain on what basis these tariff rates on vegetables have been set. Asparagus comes in at a rate of three cents per pound; Brussels sprouts, 4 cents per pound; cabbage, 1 cent per pound; carrots, 1 cent per pound; cauliflower, 2 cents per pound; celery, 2 cents per pound; cucumbers, 1 cent per pound; lettuce, free; parsley, 2 cents per pound; rhubard, 1 cent per pound; spinach, 1 cent per pound; tomatoes, 2 cents per pound and watercress, 5 cents per pound. It is a little hard to understand why there is so much difference in the specific rate when the ad valorem tariff seems to be the same all the way through.

Mr. DUNNING: There are just the same differences in value in vegetables as there are in cereals. Oats, for instance, differ in value per pound from wheat, and the same is true of all these vegetables. The manner in which these figures were arrived at was by arriving first at a fair average value for the year for the particular commodity, and then endeavouring to set a specific minimum in close proximity to what the existing ad valorem rate would produce.

Amendment agreed to.

Item as amended agreed to.

[Mr. McGibbon.]

Customs tariff—87(g). Celery: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

Mr. DUNNING: I move to amend this item by inserting after the word "rate" the words "from July 1 to February 28 inclusive." The item will then read: Celery, provided that when imported under the general tariff rate from July 1 to February 28 inclusive, the duty shall be not less than two cents per pound.

Mr. LADNER: May I inquire what the imports are under this item?

Mr. DUNNING: Last year, $584,604, of which almost all came from the United States. We have got a nice little trade starting from West Indies. In the first four months of this year, from January to May 10, 4,668 crates of celery came in from the West Indies.

Mr. LADNER: They came in free, I presume?

Mr. DUNNING: No, but anything which came in following May 1st would come in free.

Mr. LADNER: With respect to all these vegetables under item 87 from paragraph (a) to paragraph (p), I presume that none come in from the United Kingdom.

Mr. DUNNING: No, not to any appreciable extent, but there is quite a quantity coming in from the West Indies. It is evident from the figures I have obtained that now there are properly equipped steamers on that route the possibilities of developing that business are considerable. For instance, last year, 9,679 crates of carrots came in from the West Indies, 14,000 odd crates of tomatoes, and 785 crates of celery. Notice also the quick jump for the first four months of this year, from January to May 10, when celery jumped to 4,668 crates.

Mr. LADNER: Paying the duty?

Mr. DUNNING: Part of it. A considerable quantity came in just after May 1.

Mr. RYERSON: The reason for that increased importation would be largely on account of our own celery being off the market at that period.

Mr. DUNNING: I presume that our own celery is always off the market in that month. I was making a comparison between the imports of celery from the West Indies during the whole of the last calendar year with the first four months of this year, from January to May 10. The quantity imported in the

four months of this year was six times more than the imports last year. That amount came in during our off season, and I think my hon. friend will agree with me that in that off season it is desirable to get celery from the West Indies if we can.

Mr. CAHAN: Does the minister state that under the natural conditions of growing celery in the West Indies, we shall receive it only in the off season?

Mr. DUNNING: I would not say that necessarily.

Mr. CAHAN: The West Indies produce celery throughout the year, crop after crop, and what I cannot understand is why the minister should open the Canadian market to all these vegetables from the West Indies. Certainly some consideration should be given during certain seasons of the year at least to those who grow celery on the island of Montreal, for instance, for the supply of that great city. I doubt if for the present celery, tomatoes, peas, beans and cucumbers from the West Indies will find a market in the western prairies until some more suitable method of preserving them in transit is found. Why in the world you should allow all these vegetables, produced by labour at less than one-quarter the cost of labour in Montreal, to come freely into competition there with the produce of hundreds of small farmers in and about that city, I cannot possibly conceive.

Mr. FANSHER (Lambton): Does this off season tariff apply to all countries including the United Kingdom?

Mr. DUNNING: Only the countries under the general tariff.

Mr. HEAPS: Are these new rates immediately effective?

Mr. DUNNING: No. Arrangements will have to be made pending the disposition of these items for the National Revenue department to advise immediately as to the results. The rates will be made effective as speedily as possible, but they are not yet through this committee.

Mr. CHAPLIN: There may be some more changes.

Mr. FANSHER (Lambton): Will there be any rebate made on importations since the first of the month?

Mr. DUNNING: That is quite impossible.

Mr. STIRLING: The minister has intimated with something of a shudder that he has accepted the seasonal tariff principle. Could he have another shudder and give us the seasonal tariff assistance on celery from the West Indies? He has intimated that so far as he understands the majority of the importations of celery from the West Indies will come in at a period when Canadian production will not be hurt. But supposing he should be wrong—

Mr. CAHAN: He is certainly wrong; you may start with that assumption; and he will have several shudders before this is acceptable to many farmers, in the province of Quebec, particularly the farmers on the island of Montreal.

Mr. STIRLING: I will put it my own way. Will he consider the possibility of extending the seasonal principle to the West Indies as well? Perhaps he believes with me that if the celery grower in, say, the Okanagan valley is to be hurt by importations from another country, it scarcely hurts him less if that celery is a Bermudan stick.

Mr. DUNNING: I have not had the first shudder yet, so I am quite unlikely to have the second. That is the only answer I can make my hon. friend.

Mr. CAHAN: Has the minister made no examination of the possibilities of the production of these vegetables in the British West Indies, as to the conditions under which they are produced there, the seasons when they are produced, and the quantities which will be available in the Canadian market Or is this simply done as a sort of gratuitous gesture to the West Indies since my right hon. friend the Prime Minister paid his recent visit to the nothern fringe of the islands?

Mr. DUNNING: In conferences with growers they made it quite clear that they were not disposed to be critical at all of the provision to admit celery free from the West Indies.

Mr. CAHAN: In conference with whom?

Mr. DUNNING: The Canadian celery growers' representatives.

Mr. CAHAN: I venture to say the hon. gentleman has not even come in contact, directly or indirectly, with the growers of celery in the province of Quebec, and especially with those in and about the island of Montreal.

Mr. DUNNING: My hon. friend must know more about my movements and the people I meet than I know myself. I assure him that I have met representatives of the celery growers of Canada,—

Mr. CAHAN: I do not doubt that, but I am suggesting—

Mr. DUNNING: —and Quebec was represented.

Mr. CAHAN: And Quebec was represented among those?

Mr. DUNNING: I did not meet particular representatives; I met a small committee of the whole.

Mr. CAHAN: That is what I assume. But I suggest the hon. minister did not meet those who represent the small farmers in and about the Montreal district.

Mr. DUNNING: Undoubtedly I did.

Mr. CAHAN: Then I am bound to accept the hon. minister's statement to that effect. But from my knowledge of conditions they did not represent farming opinion in that district.

Mr. LACOMBE: Is the hon. member against a seasonal tariff?

Mr. CAHAN: Oh no, I have advocated a seasonal tariff time and time again. But what I object to is the destruction of the vital principle of the seasonal tariff by allowing these islands, which can produce these vegetables by the ton, to send them in free of duty at all seasons of the year.

Mr. LACOMBE: Does my hon. friend believe that a seasonal tariff is in the interests of the consumers as well as of the producers?

Mr. CAHAN: I am not discussing that. I am prepared at any time to do so.

Mr. LACOMBE: This is the place.

Mr. CAHAN: I have urged that there should be a seasonal tariff. But why destroy the vital principle of it? Why destroy every advantage that accrues from it to farmers in the eastern provinces of Canada, as you are doing by opening up to the native labour of the West Indies the entire control and command of the vegetable markets of eastern Canada?

Mr. GOTT: Mr. Chairman, I venture to assert that no representations were made to the government from the onion growers of western Ontario. At any rate, if they were, they were not listened to.

Some hon. MEMBERS: Order.

Mr. GOTT: The hon. member for East Essex should be here guarding the interests of the onion growers of his riding. Why does he not do so in this house? He has been loud enough in the press.

Mr. ODETTE: I introduced a deputation from the Western Ontario Onion Growers' Association. Mr. James, the secretary, met the finance minister and make known the views and wishes of the onion growers of western Ontario.

Mr. GOTT: Mr. Chairman—

Mr. DUNNING: On a point of order, Mr Chairman, I submit that we have passed the onion item. Each of these gentlemen have had their say and are completely out of order. May we stay with celery for a little time?

Mr. GOTT: I would merely ask one question of the member for East Essex. Were those represenations made before or after the bringing down of the budget?

Mr. ODETTE: Two weeks before the bringing down of the budget.

Mr. STEWART (Leeds): On what principle does the minister withhold a seasonal tariff on celery and apply it on other vegetables?

Mr. DUNNING: My hon. friend, I am sure, may be excused in the confusion. I moved an amendment that the tariff on this item should apply from July 1 to February 28, inclusive.

Mr. STEWART (Leeds): I did not hear the minister move that.

Mr. DUNNING: I do not blame my hon. friend.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(h). Cucumbers: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound.

Mr. DUNNING: The amendment is to make the tariff operative from June 1 to October 31, inclusive. The item will then read:

Provided that when imported under the general tariff rate, from June 1 to October 31, inclusive, the duty shall be not less than one cent per pound.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(i). Lettuce: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one and one-half cents per pound.

Mr. DUNNING: This is to be amended, Mr. Chairman, to read:

Provided that when imported under the general tariff rate, from April 1 to October 31, inclusive, the duty shall be not less than one and one-half cents per pound.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(j). Parsley: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

Mr. DUNNING: Mr. Euler moves:

That the following be substituted for item 87(j):

Parsley: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

This involves the same general and intermediate rates which now apply, and free entry under the British preference, but with no seasonal minimum.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(k). Peas, green: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Mr. STIRLING: No seasonal tariff?

Mr. DUNNING: No.

Customs tariff—87(l). Rhubarb: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound.

Mr. GOTT: Seasonal?

Mr. DUNNING: Yes. The item will be amended to read:

Provided that when imported under the general tariff rate, from March 1, to May 31, inclusive, the duty shall be not less than one cent per pound.

Mr. HEAPS: When is it expected that the new rates will be effective?

Mr. DUNNING: We will have to consult the officers of the department, but the rates will be made effective just as soon as possible. I think we can probably say to-morrow.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(m). Spinach: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound.

Mr. DUNNING: This item will be amended to read:

Provided that when imported under the general tariff rate, from May 1, to October 31, inclusive, the duty shall be not less than one cent per pound.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(n). Tomatoes: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

Mr. DUNNING: This item will be amended to read:

Provided that when imported under the general tariff rate, from June 1, to October 31, the duty shall be not less than two cents per pound.

Mr. CAHAN: Will the minister give me some reasonable explanation as to why from June 1 to October 31, tomatoes should be allowed to come in free from the West Indies? It is incomprehensible to me that the minister would strike at local industry in that way.

Mr. DUNNING: The growers of Canada have raised no objection to free importation the year round.

Mr. CAHAN: They must certainly be in complete ignorance of the conditions under which these vegetables are produced in the West Indies. They cannot know of the seasons during which they can be produced and the possibility of increased production. Or it may be that the representatives who met the minister and were informed of these proposed changes did not represent farming sentiment east of the Ottawa river.

Mr. GOTT: The hon. member for East Essex has stated that two weeks prior to bringing down the budget representations were made to the government through a delegation, and those representations were absolutely disregarded. Bermuda onions will come in by the carload, yet the representations made by that hon. gentleman will carry no weight with the government.

Mr. DUNNING: They came in free before.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87(o). Watercress and whitloof or endive: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than 5 cents per pound.

Mr. DUNNING: There is an amendment to subsection (o) eliminating the minimum specific. The Minister of National Revenue

will move that the following be substituted for 87 (o):

Watercress and whitloof or endive: British preferential tariff, free; intermediate tariff 27½ per cent; general tariff, 30 per cent.

In this case the change is made to eliminate the specific minimum.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—87 (p). N.o.p.: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DUNNING: There is no change in this item.

Customs tariff—88. Seedlings for replanting:
(a) Cabbage: British preferential tariff, free; intermediate tariff, free; general tariff, free.
(b) Cauliflower: British preferential tariff, free; intermediate tariff, free; general tariff, free.
(c) Onion: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: The proposal in this case is to make the importation of these seedlings free, and is intended to foster our home industries.

Item agreed to.

At six o'clock the Speaker resumed the chair and the house took recess.

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## After Recess

The house resumed at eight o'clock.

### PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 50, respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter—Mr. Jacobs.

Bill No. 51, respecting a certain patent application of Harry Barrington Bonney—Mr. Jacobs.

Bill No. 244, respecting a certain patent of The R. M. Hollingshead Company—Mr. Black (Yukon).

MARY ADA ST. GEORGE

The house in committee on Bill No. 202, for the relief of Mary Ada St. George—Mr. Garland (Carleton)—Mr. Johnston in the chair.

On section 1—Marriage dissolved.

The CHAIRMAN: With regard to certain unopposed divorce bills which were reported from the select standing committee on private bills this day, a motion was moved by the hon. member for Marquette and seconded by the hon. member for Portage la Prairie that said bills be placed on the order paper for consideration this day in committee of the whole and third reading, and that motion was adopted. We are now on the first of these bills.

Mr. BOURASSA: This is not on the order paper.

The CHAIRMAN: This is a special motion which was made to-day, and which I read a moment ago. The motion was adopted this afternoon.

Mr. SMITH (Stormont): Has the evidence been printed in these cases? I understand that the evidence has not been printed, but in spite of that the private bills committee was able thoroughly to understand the bills. To-night we are asked to pass them, but we have not even the names of the cases to see whether or not we are interested in them. I think this is a shameful proceeding.

Mr. IRVINE: There is no difference between the consideration we are giving the bills now before us and the consideration which has been given other bills this session. If we wait until to-morrow for the printed evidence my hon. friend will not even look at it, nor will anyone else. We might as well let these bills go through; this is the way we have done it all the time.

Mr. SMITH (Stormont): As far as I have observed we have never dealt with a case in which we have not had the evidence available. These bills are being put through without the evidence being printed. I know there were some cases yesterday in which I had not heard all the evidence, and I was waiting for the printed evidence to see whether or not I had any real objection to them. Yesterday we passed about 60 bills in some two minutes and sixteen seconds. I think it only reasonable that these bills should stand over until we have the evidence.

Mr. IRVINE: The hon. gentleman should have advanced this argument some weeks ago when we were considering the bill for a divorce court for Ontario.

The CHAIRMAN: The chairman of the private bills committee, the hon. member for Marquette, is now in the house and if he cares to do so he might explain why he made the motion.

Mr. GLEN: Mr. Chairman, as has been already stated, these bills passed through the

committee in the ordinary way. We had the list of cases before us and the bills were put through in the usual way. So far as I know there was no evidence before the special committee.

The CHAIRMAN: It is for the committee to decide whether or not we will proceed. We are now on bill 202.

Mr. BOURASSA: Just a moment, Mr. Chairman; do not be so over-zealous. It is a strange thing that in connection with divorce bills all the rules of the house should not apply. No attempt has been made unduly to hold up any of these bills, but on the other hand the apostles of divorce should not try to get rid of all the rules which have been established, whether rightly or wrongly, to govern legislation in this parliament. As far as I am concerned this is the first news I have had of this procedure. I was informed that yesterday a number of bills were put through in a few minutes, and to-day it is even worse. I understand that a motion was made this afternoon to further the passage of these bills without even giving notice of them. I was under the impression that there was nothing before the committee to-night but two private bills concerning patent applications. We seem to be granting divorce by secret methods, but surely at least we should proceed regularly in these cases as in any other legislation which comes before this house.

Mr. GLEN: The other day the hon. member said I had converted him, but I do not think I shall be able to convert him to-night. I do not wish any injustice to be done to anyone sponsoring any of these bills, and I would ask that the motion be allowed to stand.

The CHAIRMAN: It is for the committee to decide whether or not we will proceed with these bills.

Mr. YOUNG (Saskatoon): Mr. Chairman, the session is now nearing the end, and as one of the members of the House of Commons appointed to the Senate committee on divorce, I would like to assure the hon. members that I have been very diligent in that duty. I have observed the great care taken by the divorce committee in considering these cases, and even if we had the evidence before us to-night I do not believe that hon. gentlemen would take the trouble of reading it. Where an hon. member has objection to an individual case I do not think the committee should oppose that attitude without having the evidence, but as these bills have been given careful consideration by the divorce committee of the Senate, I think hon. members should allow them to pass.

Mr. BOURASSA: There is no evidence before us that the session is nearing its close.

An hon. MEMBER: We hope so.

Mr. BOURASSA: We are hopeful, but we do not know. The whole of yesterday afternoon was taken up in the discussion of one item, and if we continue at that rate we will be here until August. I do not see why all the rules of procedure should be set aside for these divorce bills. In other matters of public interest it has been pointed out that the rules were inconvenient, but the rules are made and maintained for the protection of all, and should apply to all. As far as I am concerned, it is not a question of having the evidence, although I am surprised to hear that the private bills committee of this house passes these bills without having the evidence before it.

Mr. GLEN: Not all of them, but a good many.

Mr. BOURASSA: These private bills may cover the granting of divorces, or the incorporation of companies, and there is a rule of this house which governs the introduction of private bills and their passage through the various stages. If prorogation were announced for say the day after to-morrow, there would be some reason for adopting this procedure; but as prorogation may not take place until two or three weeks have passed, there would be no harm in allowing these bills to stand to appear to-morrow on the order paper and to be taken up at the next available time for private bills.

Mr. JACOBS: It is possible that the invitations are out for the weddings of these people, and by holding up the proceedings we would deny them the happiness to which they are entitled.

Mr. McGIBBON: Does the hon. member expect to be a wedding guest?

Section agreed to.

Section 2 agreed to.

Bill reported.

CONSIDERED IN COMMITTEE—REPORTED

Bill No. 203, for the relief of Sam Finkelstein.—Mr. Heaps.

Bill No. 204, for the relief of Martha Barker. —Mr. Gray,

Bill No. 205, for the relief of Janet Ella Pettigrew Thomson.—Mr. Bell (St. Antoine).

Bill No. 206, for the relief of Margaret Jean McClelland Dewar.—Mr. Hay.

Bill No. 207, for the relief of Ada Margaret Ruddick.—Mr. McPhee.

Bill No. 208, for the relief of Wilhelmina Emily Rudolph.—Mr. Bell (St. Antoine).

Bill No. 209, for the relief of Mabel Orion Baldwin.—Mr. Garland (Carleton).

Bill No. 210, for the relief of Antoine George Massabky.—Mr. Sanderson.

Bill No. 211, for the relief of Dorothy Agnes Dowling.—Mr. Garland (Carleton).

Bill No. 212, for the relief of Arthur Leslie Catton.—Mr. Maybee.

Bill No. 213, for the relief of Ruth Lyford Smith.—Mr. Bell (St. Antoine).

Bill No. 214, for the relief of Rhona Elizabeth Shaw Richardson.—Mr. Black (Yukon).

Bill No. 215, for the relief of Richard Trawny Parsons.—Mr. Harris.

Bill No. 216, for the relief of Armand Dufour.—Mr. Geary.

Bill No. 217, for the relief of Jessie Lillian Gwen Richmond-Parry.—Mr. Sanderson.

Bill No. 218, for the relief of Christina Dale Kingsbury.—Mr. Maybee.

Bill No. 219, for the relief of Gladys Hollings.—Mr. Spence.

Bill No. 220, for the relief of Nellie Louise Hughes.—Mr. Anderson (Toronto-High Park).

Bill No. 221, for the relief of Minnie Roberts.—Mr. Black (Yukon).

Bill No. 222, for the relief of Isabella Glennie Lefever.—Mr. Garland (Carleton).

Bill No. 223, for the relief of Aileen Somerville Thomas.—Mr. Gray.

Bill No. 224, for the relief of Harris Charlton Eckmiere.—Mr. Lawson.

Bill No. 225, for the relief of Rhea Blanche Wilson.—Mr. Harris.

Bill No. 226, for the relief of Edna Wall.—Mr. Lawson.

Bill No. 227, for the relief of Thomas Edwin Warburton.—Mr. Lawson.

Bill No. 228, for the relief of Thomas Garfield McCormick.—Mr. White (London).

Bill No. 229, for the relief of Thomas Richardson.—Mr. Lawson.

Bill No. 230, for the relief of Leslie Gregory.—Mr. Black (Yukon).

Bill No. 231, for the relief of Muriel Laburnum Christie.—Mr. Lawson.

Bill No. 232, for the relief of Edith Matilda Epplett.—Mr. Lawson.

Bill No. 233, for the relief of Ruth Victoria Spooner.—Mr. Black (Yukon).

Bill No. 234, for the relief of John Henry Coulter.—Mr. Lawson.



Bill No. 235, for the relief of Gertrude Anne Williams.—Mr. Casselman.

Bill No. 236, for the relief of Leonard George Edward Bond.—Mr. Lawson.

Bill No. 237, for the relief of Grant Johnston.—Mr. Baldwin.

Bill No. 238, for the relief of Burton Orland Boomhover.—Mr. Peck.

Bill No. 239, for the relief of Augusto Tranzzi.—Mr. Lawson.

Bill No. 240, for the relief of Claire Yale Lacourse.—Mr. McPhee.

Bill No. 241, for the relief of Marion Francis Blewett.—Mr. Peck.

Bill No. 243, for the relief of Florence Edna Curless.—Mr. Young (Toronto Northeast).

Bill No. 245, for the relief of Hilda Walker Baker.—Mr. Young (Toronto Northeast).

Bill No. 246, for the relief of Mary Violet Baxter.—Mr. Lawson.

Bill No. 248, for the relief of James Lewis Watterworth.—Mr. Taylor.

Bill No. 249, for the relief of Harvey Mennie Cross.—Mr. Church.

Bill No. 250, for the relief of Muriel Parke Wood.—Mr. Black (Yukon).

Bill No. 251, for the relief of Albert Hull.—Mr. Ryckman.

Bill No. 252, for the relief of Jessie Coles.—Mr. Young (Toronto Northeast).

Bill No. 253, for the relief of Annie Almeda McCormick.—Mr. Ross (Kingston).

Bill No. 254, for the relief of Madeline Schnarr Nichol.—Mr. Ross (Kingston).

Bill No. 255, for the relief of Phyllis Gertrude Smith.—Mr. Anderson (Toronto-High Park).

Bill No. 256, for the relief of Josephine Laura Calder.—Mr. Young (Toronto Northeast).

Bill No. 257, for the relief of Minerva Gray.—Mr. Young (Toronto Northeast).

Bill No. 258, for the relief of Mary Jane McCrossan.—Mr. Harris.

Bill No. 259, for the relief of Robert Bruce Hart.—Mr. Harris.

Bill No. 260, for the relief of Hetmanska Bereta.—Mr. Harris.

Bill No. 261, for the relief of Lillian Alberta Sparling.—Mr. McQuarrie.

Bill No. 262, for the relief of Ebenezer Ward Russell.—Mr. Anderson (Toronto-High Park).

HARRY HUTCHERSON DAVIS

The house in committee on Bill No. 247, for the relief of Harry Hutcherson Davis—Mr. Sanderson—Mr. Johnston in the chair.

On section 1—Marriage dissolved.

Mr. BOURASSA: I notice, Mr. Chairman, that with this bill we reach the list which appears on the votes and proceedings of yesterday. According to the votes and proceedings, these bills were introduced only yesterday, so that within the short space of twenty-four hours or thereabouts these bills will have been introduced, read a second time, passed through that conscientious committee which examines all these cases without evidence, will have come back here, and under an abnormal decision of the house or of those members who were in the house this afternoon will, all rules being supended, have passed through the committee of the whole house; and then I suppose it will be asked that they be given their third reading—all within twenty-four hours. I hope when all this has been done, the respectable and devotional House of Commons will vote itself a certificate that it is able to do much better as a judge of these cases than the worst divorce tribunals of the United States.

Mr. WOODSWORTH: I just want to add my word of protest in support of what has been said by the hon. member for Labelle. This morning I looked over the order paper to see what business was coming before the house. I think we have a right to know what business is to be taken up, because we cannot all be present every hour that the house is sitting. I come down here and find that a number of bills have been passed. There were one or two bills that I was particularly interested in, and I have no opportunity of knowing what stage they have reached. As a member of this house I have a perfect right to have some knowledge of when a bill is likely to be called. That is the reason for our having an order paper. There is one bill in particular in which I am interested, and I have not the faintest idea what stage it has reached, whether it has been given a first or second reading. Although we have passed the bill to create a divorce court in Ontario, and although I have no desire in any way to hinder the quick passage of a number of these bills under the circumstances, there are certain limits beyond which we ought not to go, and even for this session we ought to know what bills are before the house. I protest against this way of railroading things through.

Mr. IRVINE: I might inform the hon. gentleman that the bill to which he refers did not pass the committee this afternoon, but stands for an examination of the evidence at the committee's next meeting.

Section agreed to.

Section 2 agreed to.

Bill reported, on division.

Mr. SPEAKER: Private and public bills being disposed of, the house will now revert to committee of ways and means.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Mr. DUNNING: Mr. Chairman, pursuant to an arrangement made this afternoon in order to permit of the pension bill being proceeded with, I move that the committee rise, report progress, and ask leave to sit again this day.

Motion agreed to.

Progress reported.

## PENSION ACT AMENDMENT

Hon. J. H. KING (Minister of Pensions and National Health) moved that the house go into committee on Bill No. 265, to amend the Pension Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. KING (Kootenay): Mr. Chairman, briefly in explanation of this bill I may say that it is the result of the findings of a special committee of this house appointed to investigate soldiers' problems. They took evidence from various soldier organizations throughout Canada, and after considering that evidence they drafted the bill which is now before the committee. I am pleased to report that the special committee are unanimous in their findings, and I think parliament as a whole and the people of this country will greatly appreciate their work. It has been done with the utmost care, and questions that have been agitating our soldier bodies over a period of years, as well as the great masses of the people, have been dealt with fairly and justly.

The major amendments to the act are: First, the revising of the machinery for dealing with the appeal of the soldier from the decision of the pension board. The federal appeal board will disappear and in its place there will be established what is known as a pension tribunal. This tribunal will be com-

posed of nine members, one of whom will be the chairman, and he will direct the place of residence of the other members and the territory to be served by them. It is suggested that two members shall act in each locality under the direction of the chairman. A change has been made in regard to the soldiers' advisers. It is proposed under the bill that a veterans' bureau shall be established with salaried officials, and it will be their duty to prepare the case of the soldier for presentation to the tribunals and other courts. In addition to these tribunals and the veterans' bureau, there is to be a central appeal court composed of three officials, one of whom will be known as the president.

Mr. BENNETT: Three officials.

Mr. KING (Kootenay): Yes. In addition to that there have been important amendments made in regard to widows. This is a question which has been before the pensions committee on various occasions. Previous committees and the committee which sat this session have reported regarding pensions to widows. They have also dealt with those returned men who commuted their pensions, and there is a section in the bill which will restore the pension to the former pensioner. This is generally accepted as a proper procedure. In addition to that there has been an amendment discussed in this house and before various special committees as to the benefit of the doubt; that question also was discussed before the committee which sat this session. This section in particular is well drawn; it is liberal in its scope and I believe if accepted by parliament will prove advantageous to the soldiery, and will do much to ease the situation which has existed in this regard.

Mr. BENNETT: I would like to join with the hon. the Minister of Pensions in congratulating the committee on the service it has rendered to the ex-service men. It has brought to bear upon the problem submitted to it patient consideration and a wealth of learning, a portion of which at least arises from experience and expert knowledge derived not only from experience but from observation. The committee has therefore been able to deal with this very complex problem in a manner which enables the house to offer its most sincere congratulation to every member who sat on the committee. We thank the members of that committee for the untiring zeal and devotion which they have shown. I am sure we on this side of the house most heartily join with the minister in making that observation. I have always felt that we on this side have been particularly fortunate in the personnel of our membership on the pensions committee.



Mr. KING (Kootenay): We on this side feel the same way.

Mr. BENNETT: They have been service men with wide experience; some of them have had very considerable administrative experience, and they knew at first hand not only the problems of the service men but also something of the psychology of the situation, which, to the inexperienced, is not easy to appreciate. In the main the same may be said with regard to those who represented the government on the committee. The chairman, in particular, has been indefatigable in his efforts and his endeavours have not been limited in any sense by political consideration but his zeal had been prompted by an earnest desire to advance the interests of those who are so fairly entitled to this measure of consideration. One might refer in equally laudatory terms to the membership of the committee chosen from those who sit to my left.

My observation has taught me to believe that there is no difference of opinion amongst the Canadian people when it comes to dealing with problems of this nature. There is a frank recognition of the difficulties in attaining administrative perfection. It is not easy to set up machinery which will accomplish what all the people would like to accomplish, namely, a measure of generous consideration for all those who have risked their lives for this country as well as the widows and dependents of those who are no more. I think that statement can be made with certainty That being so, the problem is a simple one. From the standpoint of administration the problem is merely to set up the machinery which will enable the end to be attained; the complexity of the problem arises, however, in providing the details for the working of the machinery. The problem would seem to be how we can best attain the objective, and how in detail we can manage to deal with every set of conditions which may arise. We must decide how we can best meet the many difficulties that arise in connection with determining the cause of disability.

No doubt this bill will bring satisfaction to those whom it is intended to assist. As far as I have been able to learn from reading, from listening to the minister and from what I have been told, the measure deals with all those cases which experience has taught have not been adequately dealt with under existing legislation. Where the existing legislation has

been unsatisfactory it has been repealed and satisfactory provisions have been substituted. So far as the general principle of giving the applicant for pension the benefit of the doubt is concerned, it will be observed that the section clears up the difficulty, so far as the matter lends itself to reasonable legislative enactment. The benefit of the doubt is, of course, a difficult term to define; it has never been defined easily. In cases which have engaged the attention of civil courts the judges in charging juries have pointed out the circumstances of particular cases, and they have laid down the principle that if there be doubt upon the evidence such doubt must be resolved according to certain rules dictated by the judges. In this particular instance the circumstances, evidence and medical opinions are to be considered by the tribunal set up by the bill. Where there is reasonable certainty in the minds of the tribunal, where they can point to certain definite circumstances, and to medical opinions and the other evidence presented before them, they may be in a position to state clearly that there is no doubt as to the cause of the disability or of the right of the applicant to pension. On the other hand, where there is wavering uncertainty as to whether or not the evidence to which I have alluded warrants a definite conclusion, then there is difficulty. To my mind that is the most distinctive section of the measure before us and I think it will meet with universal approval; the psychological value of it is not less than the monetary advantage that may result. Psychologically it will tend to bring a state of satisfaction which to the minds of applicants has heretofore been lacking; it will convince those applicants that after all the country is behind them solidly and that the only difficulty has been the setting up of machinery to enable the people of Canada to express themselves in concrete terms through the medium of a statute. It will prove to those returned men that Canada is prepared to bring relief to those who, through their service, are no longer able to cope with the difficulties of life and carry on as they had done before they engaged in the conflict.

On behalf of those associated with me in this house I am happy to think that a measure of this character has not received partisan consideration; it has not been a party matter in any sense but on the contrary it represents the labour of a committee which has worked upon the problem with the one purpose in mind of securing a result which would bring happiness and contentment and such a measure of compensation as the circumstances warrant to those who by reason of their service have found themselves no longer physically able to carry on as before. I again desire to associate myself with the minister in congratulating the members of the pensions committee upon the wholly impartial, honest and honourable manner in which free from party bias or prejudice they approached the consideration of and found a solution for a great problem, which will without doubt give satisfaction to every man and woman in the country.

Sections 1 to 7 inclusive agreed to.

On section 8—Compassionate pension.

Mr. McGIBBON: Might I draw your attention to the fact that apparently these bills are not properly printed?

Mr. POWER: These are all amendments to section 10.

The CHAIRMAN: Section 6 will be found on page 4 of the bill.

Section agreed to.

Sections 9 and 10 agreed to.

On section 11—Widow of pensioner.

Mr. LADNER: I wanted to ask the minister a question with respect to this section. This section provides, in short, that the widows of pensioners who draw pension during a period not exceeding ten years shall receive pension, but if the period is longer than ten years the widow does not receive a pension. This affects about 174 blind people and the more seriously disabled cases drawing 80 per cent pension and over.

Mr. THORSON: How?

Mr. LADNER: Because that is the class under this section. I understand—and I have this information also from parties in different parts of the country—that the soldiers' representative body, the Canadian Legion, desired to have that principle extended to a period longer than ten years, and it seems to me that once the principle is established—as it properly should be established—of granting a pension to the widows, it should not be cut off at the period of ten years. There is no good reason that I can see why, if a man lives and draws his 80 per cent pension for nine years and nine months, his widow should get a pension, while if he lives for ten years and one month his widow does not get a pension. I am going to suggest to the minister and to the committee that the principle should be extended for a longer period, and

I do that in the same spirit that has characterized this whole question and raised it above the level of party politics.

Mr. KING (Kootenay): If my hon. friend does not object I should like to have the chairman of the special committee discuss this point. He is familiar with the discussion which took place when the matter came before the committee and I should like to have him give the views expressed in the committee on this question.

Mr. POWER: The suggestion made by my hon. friend was placed before the committee and throughly discussed. At the present time under section 32 (2) of the act, the widow of a pensioner who has died and who at the date of his death was in receipt of a pension in any of the classes 1 to 5 mentioned in schedule A, that is, in receipt of a pension of from 80 per cent to 100 per cent, or who, except for the provisions of subsection one of section 29 of the act, would have been in receipt of a pension in one of the said classes, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not, provided that the death occurs within ten years after the date of retirement or discharge or the date of commencement of pension.

This section was introduced quite a number of years ago largely to cover the cases of amputations. It was felt at that time, shortly after the war, that men who as a result of their war disabilities had to suffer amputation were under a certain handicap in the ordinary affairs of civilian life. That is, they were more apt to meet with an accident such as being run over by a motor car or a street car, or that kind of thing, than the ordinary pensioner. The soldier organizations at that time made a strong plea to the committee, and this section was inserted in the act. Since that time it has been felt that these men have been able now to find their feet, so to speak, and to get about better than they could earlier in their civilian experience, and it has not been thought necessary to extend the provisions.

However, under this present legislation we have gone this far: We date the ten years during which limitation does not lie from the time this pension of 80 per cent or more has been granted. Perhaps I might explain that a little further. A case arose in which a man had obtained a pension on a basis of, we will say, 15 per cent for an injured foot. Much later on he obtained a pension of 80 per cent or 90 per cent on account of some other disability or disease. He died, and when his widow came to claim pension, the board—wrongly and improperly I think—dated the beginning of his pension from the 15 per cent pension, and ruled that his widow was not entitled to any pension at all. It is in order to make that point clear that we have proposed the amendment now being discussed, but we have not touched the provision which existed in section 25, subsection 2, up to the present time.

Mr. BENNETT: Although there would be very few who would come under that now?

Mr. POWER: Not many.

Section agreed to.

On section 12—Pension to widow.

Mr. NEILL: I should like to make a comment, not upon this particlular section but in order to express a suggestion which might well be drawn to the attention of the government. This section reads as follows:

> Subsection one of section thirty-two of the said act, as enacted by section twenty-four of chapter thirty-eight of the statutes of 1928, is amended by striking out paragraphs (i) and (ii) and by substituting therefor the following as section 32a:

I have no objection to that particular amendment or to any of the amendments; this is a good bill, but this is what I should like to point out: It is highly desirable that these amendments, these new rights which are given to the soldiers, should be communicated to them as soon as possible. When we go home in a few days or a week or two, the men naturally will come to us wanting to know what has been done, and if we give them this bill how can they understand what are their rights? They will have to look up the revised statutes of 1927; then they will have to follow the sections into the amendments of 1928 and then piece them out with the aid of these amendments we are passing to-night. I only want to suggest that we cannot carry around the revised statutes; the men do not have those statutes, and I would suggest that although it is too late now to have the bill entirely reprinted, I think the department might, at the very earliest possible date, print what is called a consolidated office copy and distribute it as soon as possible not only to soldier organizations but also to the members; because it will greatly facilitate the men getting to know what are their rights, which is all-important.

Mr. KING (Kootenay): I think that is an excellent suggestion, and it will be acted upon.

Section agreed to.

Sections 13 to 16 inclusive agreed to.

On section 17—Coming into force.

Mr. POWER: Perhaps it might be well to give some explanation of this section, which reads:

This act shall come into force on the first day of October, 1930, provided that any appointment required or authorized to be made thereunder may be made at any time after the first day of September, 1930, and any salary or other payment to which any person so appointed may be entitled shall be payable from the date of his appointment.

I think the reason for this is fairly obvious. If it should happen that perchance there be a change in the status of the Dominion—

Mr. BENNETT: Not status; oh, no.

Mr. STEVENS: Administration.

Mr. POWER: Some of us think that the status of the Dominion would be seriously affected.

Mr. BENNETT: It would be greatly enhanced.

Mr. POWER: Should there be a change in the political situation, the members of the committee thought that the new government, from whichever political party it might be chosen, should have the opportunity of bringing this legislation into force. I have an amendment to offer, to be called section 18, but before presenting it perhaps a little explanation would be in order. The act provides for access to be given to the files of the department and of the pension board, and it has been pointed out in the past by the departmental officers that it would be well to protect to some degree the medical officers or others against whom a suit might be brought by those who might feel themselves injured by such reports.

Mr. BENNETT: They probably are protected in any event.

Mr. POWER: I am inclined to agree with my hon. friend.

Mr. BENNETT: There are decisions to that effect.

Mr. POWER: The committee counsel was also inclined to agree, but the officers of the department seemed to think that the medical men would not feel so secure unless it were specifically stated in the act that their position could not be assailed on account of any report which they might make in the course of their duty.

Mr. BENNETT: It is very desirable.

Mr. McGIBBON: All of which is a very bad principle.

Mr. POWER: The committee adopted this new section, which reads:

No action shall lie against any person by reason of anything contained in any report of any examination made for the purpose of this act or of part 1 of the Department of Pensions and National Health Act by any officer of or by any other person at the request of the commission, pension tribunal or the department.

I move, seconded by the Minister of Pensions and National Health, that this clause be added as section 18 of the bill.

Mr. McGIBBON: I have no objection to that except that I think it is a bad and vicious principle that will lead to inefficiency.

Amendment agreed to.

Mr. POWER: On behalf of the members of the committee, and on my own behalf, I should like to thank the minister and the leader of the opposition for their kind cooperation and particularly for their remarks of this evening. May I add to what the leader of the opposition has said, that all the members of the committee, coming as they did from every political party, cooperated to the fullest extent possible. There were disagreements and differences of opinion in the committee, but there were none based on party allegiance; they were differences brought about by the interpretation of the act and based upon a desire to obtain by different methods the same result, namely the good of the soldier and the good of the country generally. I wish to thank the house for the assistance given in the passing of this legislation. The report of the committee was unanimous, and although we do not claim that the last word has been said in the matter of pension legislation, we hope that a step has been taken which will do away with many of the difficulties which have hitherto confronted us.

Mr. IRVINE: May I be permitted to express the hope that the splendid cooperation practiced in that committee will be extended in the new parliament to all matters of legislation.

Mr. MANION: On behalf of those on this side of the house who were members of the special committee, I would like to associate myself with the chairman of the committee in my expression of satisfaction at the manner in which all the members of the committee acted in this regard. During the last few years I have been on many committees, and I must confess that I have never attended any other committee where a greater desire was expressed to bring about satisfaction to the soldier and justice to the country.

Section as amended agreed to.

Bill reported, read the third time and passed.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Customs tariff—89. Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty: (a) Beans, baked or otherwise prepared, per pound: British preferential tariff, free; intermediate tariff, 1¼ cents; general tariff, 1½ cents.

Mr. BENNETT: Does the minister not think in connection with the amendments to all these items, that they should be printed and not finally passed until we have an opportunity of seeing them in print?

Mr. DUNNING: There is no amendment in this case.

Mr. BENNETT: No, but I refer to the matter the minister mentioned this afternoon. He is amending the tariff on fruits and vegetables.

Mr. DUNNING: The vegetable items have all been passed.

Mr. BENNETT: They are passed as amended.

Mr. DUNNING: We shall come in a short time to the fruit items and then we can consider the matter.

Item agreed to.

Customs tariff—89(b). Corn and potatoes, per pound: British preferential tariff, free; intermediate tariff, 1¼ cents; general tariff, 2 cents.

Item agreed to.

Customs tariff—89(c). Peas, per pound: British preferential tariff, 1 cent; intermediate tariff, 1½ cents; general tariff, 2 cents.

Item agreed to.

[Mr. Irvine.]

Customs tariff—89(d). N.o.p.: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—90. Vegetables, prepared or preserved:

(a) Dried, desiccated or dehydrated, including vegetable flour, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(b) Pickled or preserved in salt, brine, oil or in any other manner, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

(c) Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

(d) Pastes, hash and all similar products, composed wholly of vegetables or of vegetables and meats or fish or both, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—91. Soups, soup rolls, tablets, cubes or other soup preparations, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.

Mr. BENNETT: The only change in this item is a reduction of 2½ per cent under the British preference.

Mr. DUNNING: And the countervailing provision.

Mr. BENNETT: So far as the countervailing provision is concerned, it is obvious the minister is not in a position to say anything about what the rate may be. That depends upon what other countries may do.

Mr. DUNNING: The present United States tariff is 35 per cent.

Item agreed to.

Customs tariff—92. Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:

(a) Apricots: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under general tariff rate, the duty shall be not less than one cent per pound.

Mr. DUNNING: This is the first of the fruit items, and I will ask the Minister of Agriculture to move this amendment for me:

That the following be substituted for tariff item 92(a):

92(a). Apricots: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Provided that when imported under the general tariff rate from June 15 to August 15, inclusive, the duty shall be not less than one cent per pound.

Mr. COOTE: What justification is there for including the weight of the package in the weight for duty? Surely there cannot be any reason for that.

Mr. DUNNING: As I explained this afternoon in connection with vegetables, the matter of the minimum specific rate per pound was considered in relation to the administrative difficulty of dealing with the packages. Undoubtedly, if the packages were eliminated, administrative difficulty in operation would arise; and in addition, one would have to consider the effect upon the minimum specific rate. My hon. friend, of course, appreciates the fact that the weight of the package is not considered when the goods are entering under the ad valorem rate. It becomes a factor only in that short period from June 15 to August 15 inclusive when the minimum specific rates apply.

Mr. ADSHEAD: But when the ad valorem rate does not reach the specific rate, the specific rate counts?

Mr. DUNNING: Only during that period from June 15 to August 15 inclusive, in accordance with the amendment that has just been moved.

Mr. COOTE: It is only in those months one would ever import apricots, and I am sure there are some seasons when there are not enough apricots shipped from British Columbia to begin to supply the prairies. While we are on this item, I may say that it is because of what I consider an unwarranted increase in the duty on fruits and vegetables so far as they affect the prairie people that I was prompted to oppose the budget. I could not see any justification for some of the proposed increases. I wish to protest emphatically against the inclusion of the weight of the package in the weight for duty purposes on many of these fruits. It seems to me unreasonable.

Mr. CAMPBELL: Can the minister tell us what was the value of fruits, if any, imported under item 92 under the British preference?

Mr. DUNNING: They all came from the United States last year, $122,000 worth.

Mr. CAMPBELL: Nothing at all imported under the British preference?

Mr. DUNNING: Not last year.

Mr. LUCAS: Under the old item the rates are thirty-five cents, forty-five cents and fifty cents. I presume that was per crate.

Mr. DUNNING: Per hundredweight.

Mr. LUCAS: What would be the increase or decrease in duty under the new provision?

Mr. DUNNING: Under the minimum specific rate obtaining from June 15 to August 15 inclusive, there will be an increase in the rate of duty of one-half cent per pound.

Mr. BENNETT: Do I understand the minister is now introducing what is called a seasonal tariff?

Mr. DUNNING: In connection with apricots, on the same principle as I indicated in connection with vegetables.

Mr. BENNETT: May I point out that the minister in his budget speech took a rather different view of the matter?

Mr. DUNNING: I said so this afternoon.

Mr. BENNETT: May I point out that under British parliamentary practice no chancellor of the exchequer would for a minute be permitted in committee of ways and means to change his tariffs? Thas is one thing upon which the British House of Commons is exceedingly insistent, the reason being obvious, that when a policy has been announced touching the whole scheme of taxation, the chancellor cannot change it because, as for instance in this case, taxes for twenty days have been paid under the budget scheme. Now we are to substitute another one for it. A refund of taxation, if there be any, cannot benefit the consumers and in any event, the new provisions becoming effective to-night, the result is that a large number of consumers in Canada have been made to pay something which the government now says they should never have paid. That is the reason why, in England, under our parliamentary system, no chancellor would be permitted and no chancellor would dare to suggest such changes in his tariff proposals. He might change the language of an item; he might change the terms in which it is expressed; but he does not change the whole system and scheme of taxation. Under our budget system the moment the budget is announced it becomes operative. That has been the British parlia-

mentary practice, and it has grown up here. I was amused this morning at receiving a letter from the United States complaining that goods in transit had been struck by this tariff. The hon. minister has received many such complaints, no doubt.

Mr. DUNNING: My hon. friend means United States goods in transit to Canada?

Mr. BENNETT: Yes, which had been hit by this tariff, and which they say operates retroactively. The permanent official sitting beside the minister has probably seen more of those communications than any other man in this chamber. The minister must see the effect of what was done this afternoon with regard to the fruit and vegetable schedules, and the effect with respect to this schedule. All I can do, having regard to the present state of public opinion, which is certainly the result of the conditions under which government has been carried on in this country for the last nine years, and is very lethargic, with a general tendency to endeavour to maintain a government in power by appealing to this group and that group and getting them across the floor to sit behind the government, with all the difficulties which the Prime Minister had in forming a government, which he has pointed out so frequently that his explanation is almost a classic, the assistance and support given to the government depending upon what the government will do for its supporters—under these circumstances the minister can see that all I can do is to protest against this violation of the general principles of British practice. Some day there will be a public opinion with respect to this matter. It may not be in my time, but there will certainly be a public opinion that will not permit a budget speech to be delivered containing a scheme and system of taxation which becomes operative when the budget is announced, and for the minister then to come into the house and change the system after twenty-seven men have been sitting in a room with the representatives of a particular industry, and the minister saying to them: Arrange this yourselves, and I will do it.

Mr. DUNNING: No, no.

Mr. BENNETT: That is the effect. The minister is no more responsible for what he is doing now than some of his permanent officials. He has had a conference between certain gentlemen over there and others—

Mr. MORRISSY: Not over here.

Mr. BENNETT: I quite agree that the hon. gentleman was not present, and he resents it deeply. He should have been there. I say that such a practice is not consistent with the maintenance of the institutions that have grown up during these years, and if it is persisted in, as it will not be, some day it will bring about very disastrous results. We have already paid a rebate in connection with automobiles. Now we have a claim in connection with tea because we imposed an excise tax once on tea. Now we have the fruit and vegetable consuming population of Canada, who have been compelled to pay very large sums of money under a tariff that came into effect at midnight on the 1st of May, being told on the 20th of May that we are now to have a new scheme of taxation. In the meantime, how are you going to justify having taken that money from them for twenty days? What is your excuse going to be? What are you going to say to them for having put your hands in their pockets and taken that money ? That is the question. You are going to say: We tried to do something, and we were wrong, and having been wrong, we have now changed our minds; but we will make no restitution to those from whom we wrongfully took that which we took.

Mr. DUNNING: Like my hon. friend, I have a very great reverence and indeed almost an affection for British parliamentary procedure. But it must be recognized—I am sure it is recognized by my hon. friend and by all members of the committee—that of necessity Canadian parliamentary practice has developed in certain directions along lines slightly divergent from those followed in the old land. The reason is obvious to all. In England they have no general tariff system. Only a very few items in Great Britain are under a customs tariff. Our necessities in Canada for means of discussion and means of amendment developed a great many years ago. Although my hon. friend would imply that I am the first minister of finance in this country to come to the committee of ways and means with amendments to various schedules, due to developments in the interval since the bringing down of the budget, I think that if he will look back he will find that for many years back there has not been a single Canadian minister of finance who has not on occasion done the same thing.

Mr. BENNETT: Oh no, not changing the whole system.

Mr. DUNNING: If my hon. friend wants a specific instance, my mind goes back to the time when Sir Henry Drayton was Minister of Finance in this country in 1919 and 1920, when changes had to be made in committee of ways and means.

Mr. BENNETT: What were the changes, though?

Mr. DUNNING: I do not regard as anything out of the way the fact that we have created our own procedure, because our taxation system differs from that of the old land. A procedure must be created in order to enable a parliamentary body to deal with its own particular conditions, and there must necessarily arise from time to time, in connection particularly with revisions of a tariff structure, a tariff structure which does not exist in the old parliament at Westminster to anything like the same degree—

Mr. BENNETT: The budget of Mr. Churchill two years ago was a tariff budget.

Mr. DUNNING: In connection with a very few items indeed.

Mr. BENNETT: A very large number. There were silks, for instance.

Mr. DUNNING: A very small number in comparison with our budget.

Mr. BENNETT: He did not try to multiply.

Mr. DUNNING: The fact that a minister of finance suggests amendments in committee of ways and means is by no means new in the Canadian parliament. The changes suggested have so far commended themselves to the judgment of the committee, and I hope the few that remain to be attended to will also commend themselves to the judgment of the committee.

Mr. STEVENS: Will the minister put together in Hansard the two new schedules that he has proposed, so that they can be seen together?

Mr. DUNNING: Yes. As I read it, it will appear in Hansard—

Mr. STEVENS: But that is scattered through page after page.

Mr. DUNNING: My hon. friend wants them all together?

Mr. STEVENS: Surely, in one statement.

Mr. DUNNING: I think that can be done.

The statement is as follows:

AS PROPOSED BY BUDGET RESOLUTIONS OF MAY 1, 1930

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 87 | Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty: | | | |
| | *(a)* Asparagus | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than three cents per pound. | | | |
| | *(b)* Beans, green | Free | 27½ p.c. | 30 p.c. |
| | *(c)* Brussels sprouts | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than four cents per pound. | | | |
| | *(d)* Cabbage | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| | *(e)* Carrots and beets, n.o.p. | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| | *(f)* Cauliflower and eggplant | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(g)* Celery | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(h)* Cucumbers | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| | *(i)* Lettuce | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one and one half cents per pound. | | | |
| | *(j)* Parsley | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(k)* Peas, green | Free | 27½ p.c. | 30 p.c. |
| | *(l)* Rhubarb | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall not be less than one cent per pound. | | | |
| | *(m)* Spinach | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| | *(n)* Tomatoes | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(o)* Watercress and whitloof or endive | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than five cents per pound. | | | |
| | *(p)* N.o.p. | Free | 27½ p.c. | 30 p.c. |
| 88 | Seedlings for replanting: | | | |
| | *(a)* Cabbage | Free | Free | Free |
| | *(b)* Cauliflower | Free | Free | Free |
| | *(c)* Onion | Free | Free | Free |
| 89 | Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty: | | | |
| | *(a)* Beans, baked or otherwise prepared, per pound | Free | 1½ cents | 1½ cents |
| | *(b)* Corn and tomatoes, per pound | Free | 1¼ cents | 2 cents |

AS AMENDED IN COMMITTEE OF WAYS AND MEANS, MAY 19 AND 20, 1930

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 87 | Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty: | | | |
| | *(a)* Asparagus | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from April 15 to May 31, inclusive, the duty shall be not less than three cents per pound. | | | |
| | *(b)* Beans, green | Free | 27½ p.c. | 30 p.c. |
| | *(c)* Brussels sprouts | Free | 27½ p.c. | 30 p.c. |
| | *(d)* Cabbage | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from June 15 to January 31, inclusive, the duty shall be not less than one cent per pound. | | | |
| | *(e)* Carrots and beets, n.o.p. | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from June 1 to February 28, inclusive, the duty shall be not less than one cent per pound. | | | |
| | *(f)* Cauliflower and eggplant | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from May 15 to October 31, inclusive, the duty shall be not less than two cents per pound. | | | |
| | *(g)* Celery | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from July 1 to February 28, inclusive, the duty shall be not less than two cents per pound. | | | |
| | *(h)* Cucumbers | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from June 1 to October 31, inclusive, the duty shall be not less than one cent per pound. | | | |
| | *(i)* Lettuce | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate from April 1 to October 31 inclusive, the duty shall be not less than one and one half cents per pound. | | | |
| | *(j)* Parsley | Free | 27½ p.c. | 30 p.c. |
| | *(k)* Peas, green | Free | 27½ p.c. | 30 p.c. |
| | *(l)* Rhubarb | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate from March 1 to May 31, inclusive, the duty shall not be less than one cent per pound. | | | |
| | *(m)* Spinach | Free | 27½p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from May 1 to October 31, inclusive, the duty shall be not less than one cent per pound. | | | |
| | *(n)* Tomatoes | Free | 27½ p.c. | 30 p.c. |
| | Provided that when imported under the general tariff rate, from June 1 to October 31, inclusive, the duty shall be not less than two cents per pound. | | | |
| | *(o)* Watercress and whitloof or endive | Free | 27½ p.c. | 30 p.c. |
| | *(p)* N. o.p. | Free | 27½ p.c. | 30 p.c. |
| 88 | Seedlings for replanting: | | | |
| | *(a)* Cabbage | Free | Free | Free |
| | *(b)* Cauliflower | Free | Free | Free |
| | *(c)* Onion | Free | Free | Free |
| 89 | Vegetables, prepared, in air-tight cans or other airtight containers, the weight of the containers to be included in the weight for duty: | | | |
| | *(a)* Beans, baked or otherwise prepared, per pound | Free | 1½ cents | 1½ cents |
| | *(b)* Corn and tomatoes, per pound | Free | 1¼ cents | 2 cents |

AS PROPOSED BY BUDGET RESOLUTIONS OF MAY 1, 1930—Con.

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 89 | Vegetables—*Concluded.* | | | |
| | *(c)* Peas, per pound | 1 cent | 1½ cents | 2 cents |
| | *(d)* N.o.p. | Free | 27½ p.c. | 30 p.c. |
| 90 | Vegetables, prepared or preserved: | | | |
| | *(a)* Dried, desiccated or dehydrated, including vegetable flour, n.o.p. | 15 p.c. | 27½ p.c. | 30 p.c. |
| | *(b)* Pickled or preserved in salt, brine, oil or in any other manner, n.o.p. | 15 p.c. | 32½ p.c. | 35 p.c. |
| | *(c)* Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds | 15 p.c. | 32½ p.c. | 35 p.c. |
| | *(d)* Pastes, hash and all similar products, composed wholly of vegetables or of vegetables and meat or fish or both, n.o.p. | 15 p.c. | 32½ p.c. | 35 p.c. |
| 91 | Soups, soup rolls, tablets, cubes or other soup preparations, n.o.p. | 15 p.c. | 25 p.c. | 27½ p.c. |
| | Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country. | | | |
| 92 | Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty: | | | |
| | *(a)* Apricots | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| | *(b)* Cherries | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(c)* Cranberries | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two and one-half cents per pound. | | | |
| | *(d)* Peaches | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one and one-quarter cents per pound. | | | |
| | *(e)* Pears | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than three-quarters of a cent per pound. | | | |
| | *(f)* Plums or prunes | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than three-quarters of a cent per pound. | | | |
| | *(g)* Strawberries, raspberries and loganberries | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than three cents per pound. | | | |
| | *(h)* Berries, edible, n.o.p. | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | | | |
| | *(i)* Quinces and nectarines | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | | | |
| 93 | Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty | Free | 20 p.c. | 25 p.c. |
| | Provided that when imported under the general tariff rate, the duty shall be not less than three-fifths of a cent per pound. | | | |

AS AMENDED IN COMMITTEE OF WAYS AND MEANS, MAY 19 AND 20, 1930—Con.

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 89 | Vegetables—*Concluded.* | | | |
| | *(c)* Peas, per pound | 1 cent | 1½ cents | 2 cents |
| | *(d)* N.o.p. | Free | 27½ p.c. | 30 p.c. |
| 90 | Vegetables, prepared or preserved: | | | |
| | *(a)* Dried, desiccated or dehydrated, including vegetable flour, n.o.p. | 15 p.c. | 27½ p.c. | 30 p.c. |
| | *(b)* Pickled or preserved in salt, brine, oil or in any other manner, n.o.p. | 15 p.c. | 32½ p.c. | 35 p.c. |
| | *(c)* Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds | 15 p.c. | 32½ p.c. | 35 p.c. |
| | *(d)* Pastes, hash and all similar products, composed wholly of vegetables or of vegetables and meat or fish or both, n.o.p. | 15 p.c. | 32½ p.c. | 35 p.c. |
| 91 | Soups, soup rolls, tablets, cubes or other soup preparations, n.o.p.<br>Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country. | 15 p.c. | 25 p.c. | 27½ p.c. |
| 92 | Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty: | | | |
| | *(a)* Apricots<br>Provided that when imported under the general tariff rate from June 15 to August 15, inclusive, the duty shall be not less than one cent per pound. | Free | 15 p.c. | 20 p.c. |
| | *(b)* Cherries<br>Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | Free | 15 p.c. | 20 p.c. |
| | *(c)* Cranberries<br>Provided that when imported under the general tariff rate, the duty shall be not less than two and one-half cents per pound. | Free | 15 p.c. | 20 p.c. |
| | *(d)* Peaches<br>Provided that when imported under the general tariff rate from July 20 to October 1, inclusive, the duty shall be not less than one and one-quarter cents per pound. | Free | 15 p.c. | 20 p.c. |
| | *(e)* Pears<br>Provided that when imported under the general tariff rate from August 1 to December 31, inclusive, the duty shall be not less than three-quarters of a cent per pound. | Free | 15 p.c. | 20 p.c. |
| | *(f)* Plums or prunes<br>Provided that when imported under the general tariff rate from July 15 to October 31, inclusive, the duty shall be not less than three-quarters of a cent per pound. | Free | 15 p.c. | 20 p.c. |
| | *(g)* Strawberries, raspberries and loganberries<br>Provided that when imported under the general tariff rate from June 1 to July 31, inclusive, the duty shall be not less than three cents per pound. | Free | 15 p.c. | 20 p.c. |
| | *(h)* Berries, edible, n.o.p.<br>Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound. | Free | 15 p.c. | 20 p.c. |
| | *(i)* Quinces and nectarines<br>Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound. | Free | 15 p.c. | 20 p.c. |
| 93 | Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty<br>Provided that when imported under the general tariff rate, the duty shall be not less than three-fifths of a cent per pound. | Free | 15 p.c. | 20 p.c. |

AS PROPOSED BY BUDGET RESOLUTIONS OF MAY 1, 1930—Con.

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 94 | Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty, per pound | Free | 1½ cents | 2 cents. |
| 95 | Cantaloups and muskmelons, the weight of the packages to be included in the weight for duty. Provided that when imported under the general tariff rate, the duty shall be not less than one and one-half cents per pound. | Free | 20 p.c. | 25 p.c. |
| 95a | Melons, n.o.p., each | Free | 2½ cents | 3 cents |
| 96 | Fruits, fresh, in their natural state, n.o.p. | Free | 20 p.c. | 25 p.c. |

Mr. SHORT: The minister had all this information before him before he brought down his budget. Why did he not make his changes then? A strong delegation came here last year from the fruit and vegetable growers. A delegation of three hundred put their case up to the minister, and he knew every particle of it. He had all the information then that he has now. Why not have brought down these changes in the budget itself?

Mr. DUNNING: I have explained that several times.

Mr. SHORT: But not to the satisfaction of the house.

Mr. EVANS: I see items in this budget that are put on the free list when coming from the British Empire. That British preference is all right for some parts of Canada, but there is still one area of the Dominion that is discriminated against by these latest restrictions placed on the British preference, because all these goods carrying the preferential rate have to come in through a Canadian port. This entails a long haul from the maritime ports for a good part of the year to central Canada, which more than offsets any benefit under the British preferential rate. The prairies never get any benefit from lower tariff rates. Again, from the prairies to Vancouver there is a discriminatory freight rate, and I suppose it is the same from Vancouver back to the prairies. The fact is that for the three prairie provinces to get any benefit from the British preference, these restrictions should be taken off the entry of goods under that preference. In the west we have to buy practically all our fresh fruits, and this portion of the Dominion has been, and still is, discriminated against in almost every measure put through this house.

[Mr. Dunning.]

Mr. DUNNING: Will my hon. friend please tell me how it would be of advantage to the west for fruits coming from other parts of the empire to enter through American ports rather than Canadian ports? I myself cannot see it.

Mr. EVANS: I think from the West Indies they could come through American ports to central Canada without entailing the long haul from the maritime ports to Ontario.

Mr. DUNNING: They can do that now.

Mr. EVANS: No, they must come in direct through a Canadian port.

Mr. DUNNING: Is there any American port that offers better or closer facilities? If so I should like to know.

Mr. EVANS: I think perhaps the terminus of the Canadian National Railways at Portland would be a much shorter haul. Then, as I say, if they come in through the western port of Vancouver there is the discriminatory freight rates before they are landed on the prairies.

Mr. DUNNING: Would there be any improvement if they came in through Seattle rather than Vancouver? I think if my hon. friend studies the question he will find the provision that goods to enjoy the British preference must come in through Canadian ports makes no difference whatever to western Canada.

Mr. CHAPLIN: Mr. Chairman, I understand that we are discussing item 91.

Mr. DUNNING: Item 92 (a).

Mr. CHAPLIN: When did we pass 91?

Mr. DUNNING: Some time ago.

AS AMENDED IN COMMITTEE OF WAYS AND MEANS, MAY 19 AND 20, 1930—Con.

| Tariff Item | —— | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|---|
| 94 | Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty, per pound | Free | 1½ cents | 2 cents |
| 95 | Cantaloups and muskmelons, the weight of the packages to be included in the weight for duty. Provided that when imported under the general tariff rate from July 20 to October 31, inclusive, the duty shall be not less than one and one-half cents per pound. | Free | 15 p.c. | 20 p.c. |
| 95a | Melons, n.o.p., each | Free | 2½ cents | 3 cents |
| 96 | Fruits, fresh, in their natural state, n.o.p. | Free | 15 p.c. | 20 p.c. |

Mr. CHAPLIN: I have been in the house right along and I never heard "soups, soup rolls, tablets, cubes or other soup preparations" discussed.

The CHAIRMAN (Sir Eugène Fiset): Item 91 was passed without discussion.

Mr. CHAPLIN: I want to ask a question or two on that Mr. Chairman, if you will allow me to revert to it?

The CHAIRMAN (Sir Eugène Fiset): Certainly.

Mr. CHAPLIN: Another item that I did not hear discussed was 90 (d), pastes, hash and all similar products. At recess we were at vegetables, and had discussed 90 (a), (b) and (c), but had not touched 90 (d), or 91, soups and so on, as far as I know. Does the minister expect any more business to come under the British preference on these items?

Mr. DUNNING: What items is my hon friend referring to?

Mr. CHAPLIN: Item 90 (d) and item 91.

Mr. DUNNING: It is pretty hard on me, Mr. Chairman, to keep pace with the information required by hon. members when I have to revert to items already passed. If that were general it would mean an end of orderly discussion.

Mr. CHAPLIN: I have heard the word "orderly" before, and I am willing to wait for the minister. I am just as much interested in these items as the minister is, and I have been just as much in attendance as he has been. The minister promised from the beginning that he would give us information as to the imports and exports of these different items. Evidently this one was slid over in a hurry—at any rate I never noticed it.

Mr. DUNNING: If my hon. friend will move to revert to item so and so, I shall not oppose the motion. But I do want to point out that it makes my task very much more difficult to have a discussion start on one item and run over into other items. My hon. friend the leader of the opposition spoke on this item, I moved an amendment and my hon. friend from Rosetown (Mr. Evans) spoke on it. I am merely asking for such cooperation as can reasonably be extended to me. At best this task is not particularly easy. If my hon. friend will move to revert to a specific item I shall not oppose his motion.

The CHAIRMAN (Sir Eugène Fiset): Shall the amendment carry?

Amendment agreed to.

Item 92 (a) as amended agreed to.

Mr. CHAPLIN: I move, Mr. Chairman, to revert to item 91.

Motion agreed to.

Mr. DUNNING: Now it is agreed that we are on item 91. We have passed (a) as amended in item 92.

Mr. CHAPLIN: What are our exports to the United Kingdom under item 91?

Mr. DUNNING: They were $343,000.

Mr. CHAPLIN: What are our imports from the United Kingdom?

Mr. DUNNING: A very small amount, less than $3,000.

Mr. CHAPLIN: What are the imports from the United States under this item?

Mr. DUNNING: They are $1,847,000.

Mr. CHAPLIN: From these returns it is apparent that there is very little chance of any increased business under the British preference.

Mr. DUNNING: I would not agree with my hon. friend on that.

Mr. CHAPLIN: I do not know how you could disagree. You have changed the duty by two and a half per cent. Great Britain shipped us $1,500 worth and we shipped them $343,000 worth.

Mr. DUNNING: My hon. friend has overlooked the countervailing provision.

Mr. CHAPLIN: Well, the countervailing provision will have the effect, I hope, of this country making and exporting more soups. We sent Great Britain $343,000 worth, they sent us only $1,500 worth. If that is the basis on which the minister hopes to help Great Britain, I am satisfied it is on a pretty lame leg.

Mr. SPENCER: What is the American tariff against these articles?

Mr. DUNNING: It is thirty-five per cent.

Customs tariff—92(b). Cherries: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

Mr. DUNNING: In conformity with the amendment I moved in connection with apricots, Mr. Chairman, I would ask the Minister of Agriculture to move for me:

That the following be substituted for 92(b). Cherries:

Provided that when imported under the general tariff rate, the duty shall be not less than two cents per pound.

That, I may say, in the case of cherries is the old general rate. Also:

That the British preferential rate shall be free, the intermediate tariff, 15 per cent, and the general tariff, 20 per cent.

Mr. ADSHEAD: I understood the Fordney-McCumber tariff was half a cent a pound on cherries entering the United States. Do the countervailing duties bring ours down to that amount?

Mr. DUNNING: The countervailing duties do not apply in connection with cherries or fruits generally.

Mr. STEEDSMAN: I want to discuss the duty on fruits. I do not wish to confine myself to the item under discussion at the present time. I would rather discuss generally the schedule in regard to fruits. Since the introduction of the budget I have been particularly concerned with the increases in the tariff on fruits.

Mr. CHAPLIN: I rise to a point of order. This afternoon we had an understanding that there would be no further reversion to general tariff or budget discussions. I think that understanding should be enforced, if we are going to do business.

Mr. LACOMBE: We are considering the budget.

The CHAIRMAN: The point of order is well taken. It was the desire of the minister that we should discuss each item as called.

Mr. DUNNING: The hon. gentleman who has just risen to address the committee has not imposed upon our time to any great extent. Judging from his opening remarks I think he will be able to speak on one of the fruit items to illustrate the point he has in mind.

Mr. MANION: How does the minister know what is in the mind of the hon. gentleman? He has not yet stated the particular item in which he is interested.

Mr. STEEDSMAN: I wish to meet the wishes of the committee. As the minister has said, I have not taken up the time of the committee in the discussion of these items. I am interested because my constituents are interested, but if the committee prefers I shall confine my remarks to the item of strawberries and raspberries which appears later on the sheet.

Mr. DUNNING: That would be better.

Mr. STEEDSMAN: I am quite willing to wait until that item is reached; I shall then make my statement to the committee.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(c). Cranberries: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than 2½ cents per pound.

Mr. DUNNING: The amendment in this case is:

Cranberries:

Provided that when imported under the general tariff rate the duty shall be not less than 2½ cents per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. MANION: I may have been out of the chamber when the minister explained why he made the changes. What is the purpose of these changes?

Mr. DUNNING: I did explain the changes, but my hon. friend is always very courteous and I shall be pleased to explain them again. The same principle applies as applied in the case of vegetables with which we dealt this afternoon. After much difficulty the growers have agreed upon the seasons which they think will be suitable, and instead of making the specific minimum to apply the year round I now propose that it apply for a short season. Also, instead of the ad valorem rates being as they were originally—free, 20 per cent and 25 per cent, I now propose that they be: free, 15 per cent and 20 per cent.

Mr. MANION: I asked why the change was made to 15 per cent and 20 per cent.

Mr. DUNNING: It is a matter of bringing the two into conformity with each other, on account of the other change.

Mr. RYERSON: I did not clearly understand the minister as to the effect of the change produced by the amendment. Before he answers I would like to point out that cranberries are not produced to any extent in this country.

Mr. DUNNING: Are they not produced in this country?

Mr. RYERSON: Not in marketable quantities.

Mr. DUNNING: Oh, I think so.

Mr. RYERSON: There are a few grown in the maritime provinces and probably a few in the north country, but 99 per cent of the cranberries used in this country are of the imported variety. As it stands at the present time the tariff will work a considerable hardship on the consumer.

Mr. DUNNING: The amendment which I have proposed effects a reduction.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(d). Peaches: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than 1¼ cents per pound.

Mr. DUNNING: The amendment in this case is:

Provided that when imported under the general tariff rate, from July 20 to October 1, inclusive, the duty shall be not less than 1¼ cents per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. SPENCER: Why is the tariff put on the percentage basis this year as compared with a poundage basis last year?

Mr. DUNNING: There is a wide range in the values of these articles which come into the country in one season of the year virtually as luxuries and at another season of the year as articles of common consumption by all the people. The old specific duties of so much per hundredweight levied a much lower duty on the articles termed luxuries than the articles used for common consumption. The provision for an ad valorem rate ensures that there will be some reasonable parity on the basis of ad valorem, particularly when the article is consumed as a luxury at some period in the year.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(e). Pears: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than ¾ cent per pound.

Mr. DUNNING: The amendment in this case is:

Provided that when imported under the general tariff rate, from August 1 to December 31, inclusive, the duty shall be not less than ¾ cent per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(f). Plums or prunes: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less thna ¾ cent per pound.

Mr. DUNNING: The amendment in this case is:

Plums or prunes:

Provided that when imported under the general tariff rate, from July 15 to October 31, inclusive, the duty shall be not less than ¾ cent per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(g). Strawberries, raspberries and loganberries: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than 3 cents per pound.

Mr. DUNNING: The amendment in this case is:

Strawberries, raspberries and loganberries: Provided that when imported under the general tariff rate, from June 1 to July 31, inclusive, the duty shall be not less than 3 cents per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. CANTLEY: Would the Minister of Finance tell me the quantity of strawberries exported from Canada to the United States last year?

Mr. DUNNING: There was exported $37,000 worth.

Mr. CANTLEY: What is the rate of duty when entering the United States?

Mr. DUNNING: It is 1¼ cents per pound.

Mr. CANTLEY: I would like to point out that during the last two or three years a considerable quantity of strawberries has gone into Boston and the cities in Massachusetts adjacent to the province of Nova Scotia. I was wondering what effect the minister's proposal would have on that trade.

Mr. STEEDSMAN: Mr. Chairman, I must confess that I am pleased with the changes the minister is now making in these schedules. Certainly I was very much disturbed when the budget was brought down to note the increases in the tariff particularly on fruits. While I have a great sympathy for the producer of fruits and I know that in many cases he does not get the cost of production for his product, on the other hand I must remember the cost of fruit to the people whom I represent in Manitoba particularly, and I just want to bring to the attention of the committee the prices we pay for fruits such as these, particularly berries and apples.

Last year, while travelling between Brandon and Calgary, I was fortunate enough to encounter the present premier of British Columbia on his way home, after having been in Ottawa. Discussing this matter of fruit and fruit prices on the prairies, I told him what we had to pay for raspberries and strawberries, and he was horrified. I asked him what the producer in British Columbia usually got for his strawberries per quart, and he said that if he got six or seven cents he thought he was doing very well. I said, "Well, what do you think we pay for them in Manitoba?" He said he did not know; he thought possibly we paid sixteen or seventeen cents a quart. My wife had paid in the early part of the summer thirty-three cents a quart, or $8 for a case of twenty-four quart boxes of strawberries. Before I left Ottawa, when I visited the markets here I discovered that the people were bringing in strawberries at the end of the season in pails and baskets, and could not sell them for the cost of picking. When I got home I found that my people had been paying $8 a case for strawberries, which worked out at about 33 cents for a small quart box.

If it is true, as the premier of British Columbia told me—and I have no reason to believe it is not true; as a matter of fact I know it to be the truth—that the growers out there get only seven cents a box, suppose we add seven cents a box, which would give the jobber 100 per cent on his money; that would bring the price up to 14 cents. Then suppose we give the retail merchant 100 per cent on his money, which would bring the price up to 28 cents per box, leaving 5 cents a box to pay for freight, and I am sure it does not cost that much from British Columbia to Manitoba. That is the situation with regard to fruit, particularly raspberries and strawberries, on the prairies. We have paid as high as $9 and $9.25 a case for raspberries and from $8 to $8.25 per case for strawberries. That is the usual price, from year to year.

Now, Mr. Chairman, is it any wonder that we become alarmed when there is a suggestion that the duty on these articles should be raised? What is the trouble? Again in discussing the question with the gentleman to whom I referred, he made the statement that he would institute an inquiry into the matter and find out where the difficulty was, realizing that the growers of fruit in British Columbia and other parts of Canada were not getting the cost of production while we were being charged prices which we could not afford to pay. Let me point out to the committee the $8 a case for strawberries means the price of 10 bushels of wheat to buy one case of strawberries. How many people on the farms of Manitoba ever get a strawberry? Not 50 per cent of those people ever see one berry; they could not afford to buy them.

Mr. WARD: Not 15 per cent.

Mr. STEEDSMAN: Not 15 per cent, that is right, and the remainder get only a few berries occasionally. That is the situation as it prevails in Manitoba, and I have no doubt throughout the prairie sections of Canada to-day. I would like to suggest to the Minister of Trade and Commerce, or since he is not here to the Minister of Agriculture, while I agree that it is perfectly proper to establish trade relationships with other countries and appoint trade commissioners there, here is a

place where we could use internal trade commissioners to find out what is the matter between the growers of fruit and we who consume it. I do not know that apples are in a different position from the berries, as far as we are concerned, and perhaps if I may be pardoned I might refer to apples while I am on my feet because I do not wish to come back to this question. A few years ago we used to buy apples by the barrel, and we used to get them at from $3.25 to $3.75 per barrel. The consequence was that we had all the apples we wanted. Now we get them mostly by the box.

Mr. STIRLING: Are those Ontario apples?

Mr. STEEDSMAN: Yes.

Mr. GOULET: You can buy them by the barrel yet.

Mr. STEEDSMAN: Yes, but we pay $10 to $11, and I have paid as high as $12 for them. We pay from $2.75 to $3 a box, and there are three and a fraction boxes in a barrel, which brings it up to somewhere between $9 and $12 a barrel. The result is that the people in the part of country from which I come are buying a box of apples instead of a barrel; they are not getting the amount of fruit they need or desire, simply because they cannot afford to buy it. If there is any man here who thinks the people of the prairies, especially the agriculturists, can afford to exchange the price of 10 bushels of wheat for one little case of strawberries, I should like to know how it can be done.

I want to enter my protest, Mr. Chairman, against the system, not particularly against these duties, because we must realize that a cent a box on strawberries is not going to make much difference when we already pay $8 a case, or 33 cents a box for them.

Mr. MALONEY: In regard to the statement that it takes 10 bushels of wheat to buy one small case of strawberries, I should like to remind the hon. gentleman of the fact that if he is anxious to see this country developed and built up he must support our own fruit industry as well as everything else. To-day in Ontario and the eastern section of Canada we are prepared to buy western wheat in preference to any other, even if it costs $10 a bushel. I should also like to remind hon. members opposite that while they are growing wheat in the west, at the same time they could grow strawberries. They grow vegetables and other articles which have been discussed here to-night, and there is no reason why they should not grow berries as well. Let me say also that a properly canned strawberry is infinitely superior to some of the poor stuff we get from outside this country during our off season. In order to maintain our home market for strawberries and all these other delicacies we are ready to use the preserved articles rather than bring in from the outside something that will interfere with the market of the farmers in this country. We are told that the west is suffering; why not develop the British Columbia fruit market? There is no better fruit in the world than that produced in British Columbia; we buy it down here together with Nova Scotia fruit, and we grow our own as well. Let the west get together with the east and British Columbia and the maritime provinces, and then indeed this country will be prosperous.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—92(h). Berries, edible, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.
Provided that when imported under the general tariff rate, the duty shall be not less than 2 cents per pound.

Mr. DUNNING: The amendment in this case is just to change the rates to free under the British preferential tariff; 15 per cent under the intermediate tariff, and 20 per cent under the general tariff.

Item as amended agreed to.

Customs tariff—92(i). Quinces and nectarines: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.
Provided that when imported under the general tariff rate, the duty shall be not less than one cent per pound.

Mr. DUNNING: The amendment makes no change in the body of the item, but changes the rates to free under the British preferential tariff; 15 per cent under the intermediate tariff, and 20 per cent under the general tariff.

Item as amended agreed to.

Customs tariff—93. Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.
Provided that when imported under the general tariff rate, the duty shall be not less than three-fifths of a cent per pound.

Mr. DUNNING: The amendment proposed is simply in connection with the ad valorem rates, to make them free under the British preferential tariff; 15 per cent under the intermediate tariff, and 20 per cent under the general tariff.

Mr. WHITE (London): What difference is there between the old rate of 90 cents and the new rate of 25 per cent?

Mr. DUNNING: The minimum of three-fifths of a cent per pound is based upon the old 90 cent rate.

Mr. STIRLING: Is the minister going to have some remarks to make later on regarding an emergency tariff?

Mr. DUNNING: No.

Mr. SHORT: How many apples were imported into this country last year from the United States?

Mr. DUNNING: The imports in 1929 were valued at $944,000, of which $917,000 worth came from the United States and $25,800 worth from New Zealand. In the same year Canada exported apples to the value of $4,867,000, of which $3,844,000 worth went to the United Kingdom. I believe those would be Nova Scotia apples.

Mr. SHORT: How many apples were exported to the United States?

Mr. DUNNING: I am coming to that. The exports to the United States were valued at $252,000; to Belgium, $311,000, and to Newfoundland, $100,000.

Item as amended agreed to.

Customs tariff—94. Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty, per pound: British preferential tariff, free; intermediate tariff, 1½ cents; general tariff, 2 cents.

Mr. DUNNING: There is no amendment in this instance.

Mr. CHAPLIN: Is there any provision made for crushed grapes?

Mr. DUNNING: They would come under the item covering fruit pulp; this item covers grapes in their natural state.

Mr. CHAPLIN: I understand that last year a considerable importation of grapes was made under the classification of fruit pulp. It is quite obvious that grapes could not be classified as fruit pulp, because it would necessitate including the skins, stalks and stones. In order to beat the customs department, someone had an order passed by the department to the effect that crushed grapes were to be classified as fruit pulp, and in that way they saved themselves the small item of $30 per ton on many thousands of tons of grapes.

Mr. DUNNING: By having them classified as fruit pulp?

[Mr. Dunning.]

Mr. CHAPLIN: Yes. The farmers in my county are interested in the growing of grapes, and it has been found that certain people have been allowed to—I would like to have the minister's attention for a moment.

An hon. MEMBER: Go ahead and talk.

Mr. CHAPLIN: I will go ahead just when it suits me. This is a matter of interest, not only to the people of Canada but to the minister. There are in the province of Ontario over fifty wine manufacturers. Some operate in the grape growing districts, while others are outside of those districts and have the grapes shipped to the factory. Several of these manufacturers were able to obtain special privileges —I do not mean that they were tipped off, but the whole trade was not notified of the regulation passed by the department, and everyone was not put upon an equal basis—whereby they were enabled to import several thousand tons of grapes upon the payment of a duty of $10 per ton, while others had to pay $40 per ton. The result was that the farmers in my district got the worst of it.

Mr. DUNNING: This happened last year?

Mr. CHAPLIN: Last year particularly, but to some extent the year before. They crossed the Niagara river with a tractor, or some other means of providing power, and set a crusher up through which they passed the grapes. They did not require a building to operate in, they simply crossed the river and set up their machinery in the open field. Let me tell the minister of one instance: The machinery did not work, but they filled the barrels with grapes and had a boy tramp a few down, and were able to cross the border and have those grapes classified as fruit pulp.

Mr. DUNNING: I cannot quite follow my hon. friend, and perhaps he can clear up the point for me. Item 105, which we have not yet reached, covers fruit pulp, but this item is a new one, except with regard to fruit pulp coming in from Australia and New Zealand.

Mr. CHAPLIN: Fruit pulp was covered before by the tariff.

Mr. STIRLING: You mean under 96?

Mr. CHAPLIN: It was under that classification that this stuff was brought in.

Mr. DUNNING: I have no desire to contradict my hon. friend, but as far as we can discover, instead of coming in as fruit pulp under the item just referred to which relates to Australia and New Zealand, it must have come in as fruit, n.o.p., at 25 per cent, which would produce the result he spoke of.

Mr. CHAPLIN: I am not certain as to the item under which it was brought in.

Mr. DUNNING: That is important in this discussion.

Mr. CHAPLIN: It was brought in as crushed fruit. It came in under a different item.

Mr. DUNNING: It would.

Mr. CHAPLIN: It did not come in as grapes, as it ought to have done. It came in on the basis of $10 a ton.

Mr. DUNNING: That would be 25 per cent. That would be about right would it not?

Mr. STIRLING: It came in under item 96 of the old tariff.

Mr. DUNNING: That is fruit, n.o.p.

Mr. CHAPLIN: That is why I asked the minister whether there had been any change to take care of crushed grapes. Grapes could not be crushed with other fruit to make fruit pulp, because, as I explained before, you would have to separate the skins, stalks and stones to make it so that it could be mixed up, otherwise the rest of the fruit would be spoiled. I think it would be well, therefore, for the minister to take care of that item right alongside the grape item by inserting an item "crushed grapes," so that there would be no misunderstanding. Under item 105, fruit pulp, the duty has been changed more than sufficiently to take care of the price situation.

Mr. DUNNING: "Fruit pulp" is certainly intended to include crushed grapes. When grapes are crushed they are a pulp, and as a matter of ruling they would undoubtedly come in as fruit pulp. I can assure my hon. friend that was the intention.

Mr. CHAPLIN: Item 105 reads, "fruit pulp, with sugar or not." If sugar were put with the grapes, the whole thing would be fermented before it arived.

Mr. DUNNING: But the item reads: "with sugar or not." Whether the pulp has sugar in it or not, it comes in under that item. That is the intention.

Mr. CHAPLIN: What objection can there be to putting grapes by themselves? They are not changed because they have been crushed. They are not fruit pulp in the same sense as other fruit pulp. They cannot be mixed with anything else and be called fruit pulp. You can take the pulp of certain fruits and mix them all together and they are imported in that form. Some are being brought in at present in that form.

Mr. DUNNING: When we have a fruit pulp item, what difference does it make whether the pulp consists of one fruit or two or three fruits mixed? I am sure I cannot get my hon. friend's point that crushed grapes are not covered under the item "fruit pulp." If one kind of fruit is pulped, it is just as much fruit pulp as if two or three kinds of fruit are put together and pulped. From the point of view of customs administration, if it is a fruit that is pulped or crushed, as my hon. friend describes the condition of the grapes, it cannot be anything other than fruit pulp. The fruit pulp item being incorporated in the tariff now takes the crushed grapes out of the item into which it was formerly ruled, namely, fruit n.o.p. If fruit pulp is present as an item in the tariff, nobody is going to put crushed grapes into "fruit, n.o.p." when there is such a close description as fruit pulp. Therefore I think we have crushed grapes covered.

Mr. CHAPLIN: We have had one experience of what will be done by somebody and it was a pretty costly one. If the minister wants to get an orderly tariff, why should crushed grapes not be put alongside of grapes, or why not have one item, "grapes or crushed grapes"?

Mr. DUNNING: We then would have to consider the possibility of difficulty arising as between crushed grapes as a separate item and fruit pulp as a separate item. If the people of whom my hon. friend has been speaking are capable of the acts to which he refers, they would be capable of some little juggling in order to get whatever advantage might accrue at any time as between the two items. If my hon. friend gives consideration to the matter, I think he will see that crushed grapes are fruit pulp. There is in the tariff no other item that can describe them. In the old tariff there is no fruit pulp item save in connection with Australia and New Zealand. Consequently, when these grapes were crushed, as my hon. friend points out, they were dealt with under "fruit, n.o.p." and they came in at 25 per cent, instead of under the specific tariff which is provided in the grape item, thus bringing about the result which he indicated. From the time the budget came down, the crushed grapes become definitely fruit pulp, because there is in the tariff an item which will apply to them. I want to meet my hon. friend as far as I can, but I think his suggestion would tend to involve further confusion as between crushed grapes on the one hand and fruit pulp on the other. It is clearly understood that crushed grapes go into the fruit pulp item.

Mr. CHAPLIN: It may be clearly understood now, but it was not before.

Mr. DUNNING: Because there was no fruit pulp item.

Mr. CHAPLIN: For twenty years there has been a duty of so much a pound on grapes, and suddenly, in one year, grapes are brought in crushed at a duty of one-half cent per pound as against two cents per pound. How does the minister account for that?

Mr. DUNNING: Because there was no provision in the tariff for it. I am making provision for it now.

Mr. CHAPLIN: There was for grapes. It is suspicious to me that all at once millions of pounds of this commodity should be brought in.

Mr. DUNNING: My hon. friend knows that I have nothing to do with the administration of the law.

Mr. CHAPLIN: I quite understand that. That is why I am taking the trouble to call the minister's attention to the matter.

Mr. DUNNING: When a difficulty arose which was called to my attention by importers and fruit growers, I cast around for the best way in which to deal with it and the best way appeared to be to have a fruit pulp item which would apply to all kinds of fruit.

Mr. MALONEY: What is meant by fruit pulp?

Mr. DUNNING: Any kind of fresh fruit which is crushed and pulped, and imported in that state.

Mr. MALONEY: Does that not exclude the skins?

Mr. DUNNING: Technically, no.

Mr. MALONEY: Then there is more than pulp in it.

Mr. CHAPLIN: Along with these items there comes another one which I do not notice in the tariff, but which relates to the same commodity. I refer to grape juice.

Mr. DUNNING: I think there is a grape-juice item further down the list, if my hon. friend will wait until we reach it.

Mr. STIRLING: I have not found it. Hitherto grape juice, I believe, has come in under number 152.

Mr. DUNNING: I am in error. If my hon. friend from Lincoln wants to discuss grape juice, perhaps this would be the place to do so, in view of the absence of an item dealing with it in the schedule.

[Mr. Dunning.]

Mr. CHAPLIN: Under what category is grape juice going to come in and at what rate?

Mr. DUNNING: Under the existing tariff.

Mr. CHAPLIN: The minister does not intend to make any change in that item?

Mr. DUNNING: Not at present.

Mr. CHAPLIN: Grape juice is on the basis of 25 cents a gallon, is it not?

Mr. DUNNING: The general tariff is 22½ per cent at present.

Mr. CHAPLIN: Does the minister know what 22½ per cent represents on a ton of grapes?

Mr. DUNNING: This is grape juice.

Mr. CHAPLIN: I understand, but does the minister know how many pounds of grapes it takes to make a gallon of grape juice?

Mr. DUNNING: I am advised that a ton will produce 160 gallons. The equivalent would be about 25 cents a gallon.

Mr. CHAPLIN: Twenty-five cents a gallon is the value, and 22½ per cent on 25 cents is a duty of about 5½ cents a gallon. A duty of 5½ cents a gallon represents less than the duty collected last year on crushed grapes. In other words, the wine manufacturers who use crushed grapes, in my opinion illicitly, took out of the treasury of this country on the amount of grapes they brought in last fall, in my opinion illicitly, the sum of $100,000; and now the minister is letting them do the same thing with respect to grape juice. The amount of duty on grape juice is just about equal to the duty that they would have to pay on the crushed grapes. In other words, the farmers in my district think they have a duty of 2 cents a pound on grapes, and the minister is allowing the wineries to bring in grapes from the United States on the basis of one half a cent a pound. That is what it means. This matter was before the tariff board. The board, as I understand it, had practically promised a certain tariff; the item was in there, and then it was nipped out.

Mr. DUNNING: My hon. friend must know that the tariff board has no authority to promise a tariff to anybody, and I am quite sure that he is in error in stating that the tariff board ever promised it. There was no public hearing on the question of grape juice. A great many representations have been made to me; my hon. friend himself introduced a deputation on the subject, but I am not satisfied that all the information on this matter has been publicly developed, and I would like to see it publicly developed. I

am prepared to facilitate its development, but I am not prepared to jump at anything on grape juice just now. Crushed grapes I have attempted to deal with because that case was clearly discussed before the tariff board. When my hon. friend goes further and suggests that at this time we are in a position, from the point of view of information from all those interested, to deal with grape juice, I am sorry that I cannot meet him.

Mr. McGIBBON: The minister might take his information from this side of the house on that matter as well as on other parts of his budget.

Mr. CHAPLIN: One part of the day the minister seems to be anxious to take information from the tariff board. I can tell him that the matter of grapes and crushed grapes was decided upon.

Mr. DUNNING: I must contradict that.

Mr. CHAPLIN: That grapes and crushed grapes were not decided upon?

Mr. DUNNING: Grapes and crushed grapes? The decision on that is right here in the tariff, yes.

Mr. CHAPLIN: The farmers' representatives who came here went home fully satisfied that everything was all right, including grape juice.

Mr. DUNNING: From a public hearing of the tariff board?

Mr. CHAPLIN: Yes.

Mr. DUNNING: Then I have no more to say.

Mr. CHAPLIN: They were notified two or three days before the budget came down that things were not all right, and they came down here again, and a few days afterwards I spoke to the minister about it.

Mr. DUNNING: As to concentrated grape juice—

Mr. CHAPLIN: I am not speaking of concentrated grape juice.

Mr. DUNNING: My hon. friend knows very well that that is the factor which has recently come into the situation. It is a new factor, and was brought to my attention by Sir Henry Drayton only a short time before the budget came down. As represented by the growers to me since, it is the most important factor in the situation from their point of view—that is a new and more concentrated form of grape juice. I want to know where we are going before we move. I do not intend to be rushed in these matters on the basis of fragmentary information.

Mr. CHAPLIN: The information I have given the minister about crushed grapes is not fragmentary.

Mr. DUNNING: My hon. friend jumps from crushed grapes to grape juice, and back again.

Mr. CHAPLIN: Are they not all in the same category?

Mr. DUNNING: My hon. friend is no serious now.

Mr. CHAPLIN: Not serious? The trouble is that the minister has made so many changes that he does not want to make another. As I said before, the grape juice matter was fixed, and then somebody comes along and it is changed again.

Mr. DUNNING: I must contradict my hon. friend. Grape juice was never included in the budget.

Mr. CHAPLIN: I never said that. I said that it was considered by the tariff board, and that the farmers went home from the hearing feeling that everything was all right. Then they were called back. It may be, as the minister says, that in view of the concentrated grape juice factor he wants to examine the whole question again. If that is so, I have no more to say.

Mr. DUNNING: That is the position. I think my hon. friend knows that.

Mr. CHAPLIN: I know it now.

Mr. DUNNING: My hon. friend knew the difficulties in connection with the matter when he brought the delegation to see me, because they were then discussed. He also knows the new difficulty which arose only a very few days before the budget was delivered. Information came to us regarding the concentrated grape juice factor, or rather a concentrate of grape juice. He knows himself how recent that is.

Mr. CHAPLIN: It is so recent that there has been none imported. That is how recent it is.

Mr. DUNNING: That is how recent it is.

Mr. CHAPLIN: In other words, there has been no difficulty in connection with it. That is more of an academic difficulty than anything else.

Mr. DUNNING: The delegation that my hon. friend brought to see me did not represent it as academic.

Mr. CHAPLIN: They knew nothing about it from experience.

Mr. RYCKMAN: I wish to take issue with the minister, and I have the dictionary to support me. Crushed grapes could in no sense be considered to be fruit pulp, because if my hon. friend will look at the definition of pulp, it is the soft succulent part of fruit. That would certainly not include the skins and stones. If the minister really wishes to take care of the situation in regard to which an hon. member of this house says that he thinks this country has been bled of $100,000 in revenue, he can very easily put in the term "crushed grapes." That is all that is necessary. Suppose that instead of $100,000 the country has lost only a quarter of that; the insertion of just a word there will clear the matter up. Crushed grapes, with the dictionary behind me, I submit are not fruit pulp.

Mr. DUNNING: Undoubtedly the intention was to include it in fruit pulp, and I believe the customs department indicated that if there was a fruit pulp item, which would be the item previously in the tariff, crushed grapes and everything of that kind would be ruled as coming within it. I am inclined to try, if possible, to please my hon. friend from Lincoln. I know it is rather a difficult task. It is pointed out to me, as I stated before, that by including crushed with the fresh grapes we have the possibility of crushed grapes being included in fruit pulp or in this item at the discretion of the customs board. While I should like to please my hon. friend from Lincoln and those whom he represents in the matter, I desire to avoid any possibility of difficulty.

Mr. STEVENS: If the item is specifically mentioned it would not go into another item that is general in its terms.

Mr. DUNNING: My hon. friend would desire crushed grapes to be in the fresh grapes item?

Mr. CHAPLIN: I certainly would. I think it is the only sensible way of doing it. It leaves it beyond peradventure.

Mr. DUNNING: In order to get a little advice from the national revenue department in regard to the matter, would it be satisfactory to let item 94 stand?

Mr. CHAPLIN: Certainly. I would very much prefer to see it there, but if there is good reason why it should be put somewhere else I do not think it will make a great deal of difference.

Item 94 stands.

[Mr. Chaplin.]

Customs tariff—95. Cantaloups and muskmelons, the weight of the packages to be included in the weight for duty: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Provided that when imported under the general tariff rate, the duty shall be not less than one and one-half cents per pound.

Mr. DUNNING: I desire to amend this item by substituting the following:

Cantaloups and muskmelons, the weight of the packages to be included in the weight for duty.

Provided that when imported under the general tariff rate, from July 20 to October 31, inclusive, the duty shall be not less than one and one-half cents per pound: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—95(a). Melons, n.o.p., each: British preferential tariff, free; intermediate tariff, 2½ cents; general tariff, 3 cents.

Item agreed to.

Customs tariff—96. Fruits, fresh, in their natural state, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. DUNNING: There will be the following changes in the rates to conform with the other changes:

British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. MANION: What have been the imports under this item?

Mr. DUNNING: About $1,700,000.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—97. Plantains, pineapples, pomegranates, guavas and mangoes: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: No change.

Item agreed to.

Customs tariff—98. Bananas, when imported from the place of growth by ship, direct to a Canadian port, per stem or bunch: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 50 cents.

Mr. DUNNING: No change.

Mr. MANION: Through what ports do we get our bananas at the present time?

Mr. DUNNING: The only change here is to provide for the re-numbering. Following the inauguration of the direct steamship service with the West Indies at the beginning of the fiscal year 1929-30, the old item 90b was can-

celled on May 2, 1929, after which date bananas entered Canada under two items, 90c and 90d. Imports under the old item 90b during the fiscal year 1928-29 were valued at $5,246,000, of which $5,207,000 came from the United States, and $39,000 from Jamaica. That was before the new arrangement went into effect. It has not been possible to obtain an advance publication of statistics of imports during the year just closed. I know we have brought in a tremendous quantity from the West Indies.

Mr. MANION: Through Canadian ports?

Mr. DUNNING: Yes.

Mr. RYERSON: I think we should have figures of the quantity imported under the new arrangement.

Mr. DUNNING: Yes.

Mr. STEVENS: Speaking from memory, I think Sir Henry Thornton said that about a million bunches came by Halifax.

Mr. MANION: What were the proportions by Canadian ports and from the United States?

Mr. DUNNING: The information is not available. In a general way I can say the arrangement is developing very fast indeed via our own Canadian National steamship service.

Mr. STEVENS: According to Sir Henry Thornton, about a million bunches came in by St. John and a million bunches by Halifax.

Mr. CANTLEY: I think it will be found that practically all the bananas coming into Canada to-day enter through Canadian ports. The United Fruit Company formerly brought in bananas through Boston. With the change of duty last year they brought in the great bulk through St. John. The West Indies steamers brought them in through both Halifax and St. John, and in the summer months through Montreal. So practically all our bananas now come in through Canadian ports.

Mr. RYERSON: I beg to disagree with that statement. Very few bananas from Jamaica go west of Port Arthur; those reaching points further west come the other way from the Pacific coast.

Mr. DUNNING: I have some proof sheets of figures from the statistical department, which I have every reason to believe are correct. The total imports from the United States for the fiscal year 1930 were, 1,188,000 bunches, and from Jamaica 2,729,000 bunches. The trade completely turned over in the fiscal year 1930 as compared with the previous year.

Item agreed to.

Customs tariff—98a. Bananas, n.o.p., per stem or bunch: British preferential tariff, 50 cents; intermediate tariff, 50 cents; general tariff, 50 cents.

Item agreed to.

Customs tariff—99. Bananas, dried or evaporated, per pound: British preferential tariff, free; intermediate tariff, ½ cent; general tariff, ½ cent.

Item agreed to.

Customs tariff—99a. Dates and figs, dried; plums and prunes, dried, unpitted; per pound: British preferential tariff, free; intermediate tariff, ⅜ cent; general tariff, ⅜ cent.

Item agreed to.

Customs tariff—99b. Fruits, dried, desiccated, evaporated or dehydrated, n.o.p.: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—100. Grapefruit, when imported from the place of growth by ship, direct to a Canadian port, per pound: British preferential tariff, free; intermediate tariff, ½ cent; general tariff, 1 cent.

Item agreed to.

Customs tariff—100a. Grapefruit, n.o.p., per pound: British preferential tariff, ½ cent; intermediate tariff, 1 cent; general tariff, 1 cent.

Item agreed to.

Customs tariff—102. Limes: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—105. Fruit pulp, with sugar or not, n.o.p., and fruits, frozen, per pound: British preferential tariff, 1½ cents; intermediate tariff, 2½ cents; general tariff, 3 cents.

Mr. DUNNING: In view of the fact that we are allowing the item of grapes to stand I think it would be just as well to let stand the item concerning fruit pulp until we have made the necessary inquiries in regard to crushed grapes.

Item stands.

Customs tariff—105a. Lemon and orange rinds and citron in brine: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—105b. Olives and cherries in brine, not bottled: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 30 per cent.

Mr. SPENCE: I would like to ask the amount of imports of cherries from France and Italy.

Mr. DUNNING: This extends the former item No. 89. The new item will include cherries, whereas the old item did not. It seemed to the department that cherries in brine should be placed with olives in brine. Previously cherries were not included. Olives were imported to the value of $75,000, of which $43,000 worth came from the United States and $26,000 worth came from Greece. The new wording will also include olives in bulk for the manufacture of pickles, which in 1929 entered to the value of $269,000, of which total sum $224,000 worth came from Spain and $34,000 worth came from the United States. As far as cherries in brine are concerned they were formerly included as pickles under item 88, but the value was not traceable. We cannot tell how much came in because they were mixed with pickles in general.

Mr. SPENCE: This is a very important fact, and represents one of the worst features with which the fruit trade of this country has had to contend since the French treaty was passed. At the present time there is no demand whatever for cherries in Canada. The extract people and the people who used them are importing their cherries from Italy and France by the barrel and by the carload while Canadian cherries are not used. It was found that the Richmond cherry was not satisfactory, and the growers developed the Montmorency cherry which was satisfactory for the Canadian trade. When the French treaty was signed the extract people, who are the chief importers, brought cherries from France and Italy, and the result is that there is no sale for Canadian cherries no matter how good they may be. Sweet cherries are sold in considerable quantities, however. A few years ago the growers planted thousands of trees to accommodate the trade, and as a result of the transfer of trade they have had to tear them out. The French treaty was agreed to in 1923 and from that date forward the sale of cherries has dwindled. You now propose a further reduction of about 10 per cent in the duty. In my opinion, instead of reducing the tariff 10 per cent it should be increased a like amount. The cherry interests which at one time represented one of the greatest fruit industries are now almost completely wiped out. There must have been hundreds of thousands of tons imported.

Mr. DUNNING: Cherries in brine came in as pickles, and under the French treaty they would have been carrying a duty of 32½ per cent.

[Mr. Spence.]

Mr. SPENCE: It is wonderful how this government has succeeded in killing the cherry industry in Canada.

Item agreed to.

Customs tariff—105c. Fruits and nuts, pickled or preserved in salt, brine, oil or any other matter, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—105d. Jellies, jams, marmalades, preserves, fruit pastes, fruit butters and condensed mince meats, per pound: British preferential tariff, 2¾ cents; intermediate tariff, 3¾ cents; general tariff, 3¾ cents.

Mr. CHAPLIN: What relation have jams, jellies and marmalades to condensed mince meats? Why should the condensed mince meats be included in this item?

Mr. DUNNING: There are certain common characteristics, one of which is the sugar element. I do not know where condensed mince meats could be placed if they were not included along with jams, jellies and preserves. They have always been included in this item.

Mr. CHAPLIN: I had noticed that they were in the item, and I intended to inquire the reason.

Mr. DUNNING: Will my hon. friend suggest where mince meats could be placed if they were not included in this item?

Mr. MANION: I suggest that they be included in a good pie.

Item agreed to.

Customs tariff—105(e). Fruits and peels, crystallized, glace, candied or drained; cherries and other fruits of creme de menthe, maraschino or other flavour: British preferential tariff, 22½ per cent; intermediate tariff, 35 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—106. Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the container to be included in the weight for duty:

(a) Apricots, peaches and pears, per pound: British preferential tariff, 1¾ cents; intermediate tariff, 2½ cents; general tariff, 2¾ cents.

(b) Pineapples, per pound: British preferential tariff, ½ cent; intermediate tariff, 2½ cents; general tariff, 2¾ cents.

(c) N.o.p., per pound: British preferential tariff, 1¾ cents; intermediate tariff, 2½ cents; general tariff, 2¾ cents.

Mr. MANION: What are the total imports under item 106?

Mr. DUNNING: The total imports of peaches, under section (a) are valued at $787,000.

Mr. MANION: The total figures will be sufficient.

Mr. DUNNING: Of that total $712,000 worth came from the United States and $75,000 worth came from Australia. Of canned pears, of a total value of $108,000, $100,000 worth came from the United States and $8,000 worth from Australia. In the same year we exported, principally to the United Kingdom, canned pears to the value of $283,000.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

## Wednesday, May 21, 1930.

The house met at three o'clock.

### REPORTS OF COMMITTEES

#### PRIVATE BILLS

Mr. J. A. GLEN (Marquette) presented the seventh report of the select standing committee on miscellaneous private bills.

Mr. GLEN moved:

That the recommendation contained in the seventh report of the select standing committee on miscellaneous private bills, respecting a refund of the fee and charges, less the cost of printing and translation, in connection with Bill No. 34, an Act to incorporate the Canadian Bible Society Auxiliary to the British and Foreign Bible Society, be concurred in.

Mr. SPEAKER: I regret to say that this motion is not in order. The moment that fees are paid to the Clerk of Petitions of the House of Commons for the introduction of a bill or of any other measure, that money goes to the Receiver General, and a special vote in the estimates is required in order to return such fees or charges. The ruling was made last year after being considered by the Department of Finance that any money deposited in the House of Commons cannot be returned even though a bill is either withdrawn or passed. I declare this motion to be out of order.

#### PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) moved that the second report of the joint committee of both houses on the printing of parliament, presented to the house on May 16, be concurred in.

Motion agreed to.

2419—147½

### PRIVATE BILLS

#### FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 266, for the relief of Schuyler James Alton.—Mr. Ross (Kingston).

Bill No. 267, for the relief of Mary Eva May Gourley.—Mr. Spence.

Bill No. 268, for the relief of John William James.—Mr. Spence.

Bill No. 269, for the relief of Elsie Aileen Clarke.—Mr. Spence.

Bill No. 270, for the relief of Orwell Bishop Walton.—Mr. Spence.

Bill No. 271, for the relief of Rosie Resnick.—Mr. Spence.

Bill No. 272, for the relief of Jessie Grant.—Mr. Young (Toronto Northeast).

Bill No. 273, for the relief of Ruby Helen Gordon.—Mr. Young (Toronto Northeast).

Bill No. 274, for the relief of Mary Isabelle Batstone.—Mr. Spence.

Bill No. 275, for the relief of Hanorah Margaret Phililemonia Atkinson.—Mr. Spence.

Bill No. 276, for the relief of Margaret Ann Fyfe.—Mr. Young (Toronto Northeast).

Bill No. 277, for the relief of Frederick John Wolfe.—Mr. Geary.

Bill No. 278, for the relief of Elsie Roselen Maguire.—Mr. Lennox.

Bill No. 279, for the relief of Alice Reta Leadbeatter.—Mr. Lawson.

Bill No. 280, for the relief of Gladys Evelyn Sandford.—Mr. Lawson.

Bill No. 281, for the relief of Ethel May Henderson.—Mr. Pettit.

Bill No. 282, for the relief of Fred Townsley.—Mr. Casselman.

Bill No. 283, for the relief of Arthur Worrell Perkins.—Mr. Stinson.

Bill No. 284, for the relief of Arthur Cameron.—Mr. Young (Toronto Northeast).

Bill No. 285, for the relief of Walter Anderson Wood.—Mr. Ross (Kingston).

Bill No. 286, for the relief of Gertrude Margaret Gilgour.—Mr. Hay.

Bill No. 287, for the relief of Clara Delilah Latchford.—Mr. Hepburn.

Bill No. 288, for the relief of Vera Irene Collins.—Mr. Hocken.

Bill No. 289, for the relief of Cora Beatrice Silk.—Mr. Geary.

Bill No. 290, for the relief of Joseph Alphonse Lajoie.—Mr. Bell (St. Antoine).

Bill No. 291, for the relief of Gertrude Alice Dorothy Lorimer.—Mr. Lawson.

Bill No. 292, for the relief of Margaret Bradley.—Mr. Church.

Bill No. 293, for the relief of Marion Ramsay.—Mr. Young (Toronto Northeast).

Bill No. 294, for the relief of Nettie Maud Dixon.—Mr. Boys.

Bill No. 295, for the relief of Hazel Victoria Watt-Hewson.—Mr. Harris.

Bill No. 296, for the relief of Hubert Allan Frise.—Mr. Lawson.

Bill No. 297, for the relief of Lena Hogarth. —Mr. Boys.

Bill No. 298, for the relief of Gladys Elizabeth Kirby.—Mr. Ladner.

Bill No. 299, for the relief of Henry Maynard Smillie.—Mr. Hepburn.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### COAL HARBOUR, VANCOUVER, DREDGING

Mr. STEVENS:

1. Has a contract recently been let to a private dredging company for the dredging of Coal harbour, Vancouver, British Columbia?
2. If so, to whom was the contract let?
3. Were tenders called for this contract, and, if so, how many bids were received?
4. Did the said call for tenders and the said contract (if any) include provision for the disposal of the material so dredged?
5. Has the government or any Department of the government made arrangements with the Parks Board for the dumping of the said material at any point within Vancouver harbour, if so, where?
6. Has the government, harbour commissioners, Parks Board or any other public body undertaken to pay for the dumping of the said material?
7. In a previous contract, did the harbour board pay the sum of 24 cents per cubic yard for the dumping of waste material dredged at the First Narrows and deposited at the new pier site at Hastings mill?

Mr. RINFRET:

1. No.
2. Answered by No. 1.
3. (a) Yes. (b) two.
4. Form of tender calls for dumping of material within two miles from site of dredging.
5. and 6. Material dredged is proposed to be dumped in Vancouver harbour in deep hole, as harbour commissioners and Parks Board consider material unsuitable for filling purposes and do not wish to make use of it.
7. Yes, which price included the dredging of 85,680 cubic yards of mud from the pier site before the fill was deposited.

### FIRST NARROWS, VANCOUVER, DREDGING

Mr. STEVENS:

1. Having reference to the dredging of the First Narrows, Vancouver harbour, during the past few years, was this work done by contract?
2. Was the government dredge Mastodon in operation elsewhere during the period this work was carried on?
3. Why was not the Mastodon used for this work?
4. What was the name of the dredging company that got the contract?
5. Was the work of this dredging company as contracted satisfactory?
6. What was the contract price per cubic yard for the said contract?
7. How many cubic yards were actually removed?
8. What is the total amount paid by the government, or the harbour board, to the said dredging company from the letting of the contract to date for: (a) dredging in the First Narrows; and (b) the sale or disposal of material?
9. What government engineers acted as: (a) inspectors of work; or (b) special inspection?

Mr. RINFRET:

1. By contract and also by government dredge.
2. No.
3. Dredge Mastodon was used for the work except the last year when it was considered it could be done cheaper by contract.
4. Northwestern Dredging Co., Ltd.
5. Yes.
6. 18·7 cents per cubic yard, place measurement.
7. 736,426.
8. (a) $123,940.51 (b) The Vancouver Harbour Commission paid $183,290.64 to North Western Dredging Company for dredging 85,680 cubic yards of mud from the site of the new pier at Hastings Mill and depositing thereon 763,711 cubic yards of material dredged at the First Narrows, Vancouver harbour.
9. (a) and (b) Work was supervised by district engineer of Public Works department and the dredging of pier site and depositing of fill was performed under the direction of the Vancouver harbour commission's engineer.

### HALIFAX OCEAN TERMINALS SHED NO. 25

Mr. QUINN:

1. What was the cost of remodelling shed number 25, Halifax Ocean Terminals?
2. Was the work done by contract or day's labour?
3. Who was the foreman on the job?
4. What wages were paid him?
5. Who supplied the material for the work?

Mr. CARDIN:

1. $67,600.36.
2. By day's labour, except contract for mastic flooring.
3. The work was done under the supervision of construction superintendent, William B. Ross.
4. $200 per month.
5. Cement—T. A. S. DeWolf & Son, of Halifax. Rock fill—A. S. MacMillan, of Halifax. Reinforcing steel—Donald F. McIsaac, of Halifax. Crushed stone—Nova Scotia Stone Company Ltd. Fill—Standard Construction

Company Ltd. Sand—Halifax Dredging Company Ltd. Mastic flooring—Vulcan Asphalt & Supply Company Ltd., of Toronto. Angles, bolts and forging for doors, door bottoms and fitting same—Purdy Bros. Ltd., of Halifax. Lumber—John MacInnes & Son Ltd., Building Supplies & Milling Company. Sundry hardware—William Robertson & Son. Sundry pipe and fittings—Austen Bros., Limited, of Halifax. Sundry electrical supplies—Canadian General Electric Company Ltd.

VANCOUVER HARBOUR WORKS

Mr. STEVENS:

1. Has the government approved of plans for the construction of a cold storage plant and fish wharf at Vancouver by the Vancouver harbour commissioners?
2. If so, by whom were the plans prepared and when will tenders be called for the construction of the said plant?
3. What is the estimated cost of the said work?
4. Has the government approved of plans for the extension to No. 1 elevator, Vancouver, British Columbia?
5. What is the estimated cost of the said work?
6. What is the additional capacity that will result from the said extension?
7. Have tenders been called for?
8. Have any plans been submitted to the government for approval for the deep sea pier to be erected by the harbour board on the Hastings mill site?
9. If so, what is the estimated cost of the said pier?
10. When will tenders be called for?
11. What amount remained unexpended on March 31, 1930, from the various appropriation acts of parliament for expenditure for Vancouver harbour by the Vancouver harbour commissioners?

Mr. CARDIN:

1, 2 and 3. The Marine department has authorized the Vancouver harbour commissioners to have plans prepared, but neither the plans nor an estimate of the cost have as yet been submitted for approval.

4. Yes.
5. $500,000.
6. 2,000,000 bushels.
7. No.
8. No.
9. Answered by No. 8.
10. Answered by No. 8.
11. $10,963,965.91.

PETITIONS FOR PATENTS

Mr. TUMMON:

1. How many petitions were made to the Commissioner of Patents under section 40 of the Patent Act during the years 1928, 1929, and 1930, respectively, and what was the disposition of the same?

2. How many petitions were made to the Commissioner of Patents under section 41 of the Patent Act during the years 1928, 1929, and 1930, respectively, and what was the disposition of the same?

Mr. RINFRET:

1928—Section 40

1. (No. 352)—Mansons Limited—Petition withdrawn February 14, 1930.

(No. 370)—Smith & Stone, Ltd.—Refused by commissioner August 26, 1929.

1929—Section 40

(No. 387)—Wm. S. Smith—Adjourned sine die by reason of illness of petitioner.

(No. 389)—The H. M. Kipp Co., Ltd.—Pending.

(No. 394)—Electrolier Mfg., Co., Ltd.—Pending—awaiting judgment in action for infringement.

1930—Section 40

(No. 396)—Harry Hayley—Pending.

(No. 397)—A. J. Monk & E. F. Smith—Pending.

1928—Section 41

2. (No. 350)—E. T. Wright, Ltd.—Held pending judgment in action affecting validity of patents. (Later abandoned.)

1929—Section 41

(No. 394)—Electrolier Mfg. Co. Ltd.—Pending—awaiting judgment in action for infringement.

1930—Section 41

(None.)

ST. LAWRENCE SHIP CHANNEL DREDGES

Mr. STINSON:

1. How many dredges, if any, constructed for deep water dredging on the St. Lawrence ship channel have been purchased by the government or any department thereof since 1900?
2. What is the name of each dredge purchased and the amount paid for the same?
3. Are any of the dredges so purchased still owned by the government?
4. What was the name of each dredge sold, the date of sale, the person or persons or corporation to whom sold, and the price received for each dredge so sold?
5. Were the said dredges, or any of them, stored previous to sale, and where?

Mr. RINFRET:

1. One.
2. Hydraulic hopper dredge Galveston No. 9; $146,000.
3. No.
4. Hydraulic hopper dredge Galveston No. 9 was sold 17th September, 1918, to W. H. Hutchison, H. Dussault and C. A. Chauveau, of Quebec, P.Q., for $206,000.
5. Hydraulic hopper dredge Galveston No. 9 was stored at Sorel previous to sale.

VETCRAFT SHOPS MANAGEMENT

Mr. MILNE:

1. What department of the government administers the vetcraft shops?
2. Who are the officials responsible for their administration in Ottawa?
3. What is the cost to the government in maintaining these shops?
4. How many men in all are employed in these shops?
5. What are their rates of pay?
6. How many shops are there in Canada and where are they located?
7. What do they make and sell?
8. What is the total sum received on account of manufactured articles?
9. What selling agencies are employed in the sale of such articles?
10. What commission, if any, is paid?
11. Have these shops the exclusive right to manufacture the poppies sold in Canada during Armistice Week, and, if not, why?
12. What was the gross sum represented by the sale of these poppies in 1929, and what was the net sum received?

Mr. KING (Kootenay):

1. Department of Pensions and National Health.

2. Director of Orthopaedic and Vetcraft—Major J. L. Melville.

3. Net expenditure, fiscal year 1929-30, $127,465.78. (This includes expenditures on capital account for rentals, equipment, etc., also wages to operatives, etc.)

4. 301 vetcraft employees; 16 foremen; 25 staff, which includes superintendents, salesmen, accountants, storekeepers, etc.—total, 342.

5. The prevailing rate of pay for vetcraft employees is 33 cents per hour, irrespective of pension. In a few cases of special efficiency, slightly higher rates are paid. Beginners may be started at slightly lower rates.

6. (a) 7; (b) Halifax, Montreal, Toronto, Hamilton, Winnipeg, Vancouver, Victoria (operated by the Canadian Red Cross under agreement with the department).

7. Juvenile furniture and toys, playslides, sand boxes, porcelain and basswood top tables, ironing and bake boards, poppies and wreaths, etc., etc.

8. Total sales, 1929:

| | |
|---|---|
| Vetcraft articles and special jobs | $ 309,225 58 |
| Poppies and wreaths | 69,400 50 |
| | $ 378,626 08 |

9. One sales manager; two salesmen on salary and bonus; four salesmen on commission only.

10. The only commission paid is to the four salesmen on commission basis, who receive 7½ per cent on accepted sales.

11. (a) No; (b) There is no legislation, federal or provincial, which prohibits the manufacture or importation of poppies. Notwithstanding this, very few poppies, other than those manufactured in the vetcraft shops, are offered for sale during Armistice Week.

12. (a) No information on gross value of sales of poppies and wreaths, these being distributed by the Canadian Legion B.E.S.L., throughout the Dominion; (b) $69,400.50 for 1929 campaign.

RADIO LICENCES, ALBERTA

Mr. COOTE:

1. What was the amount of revenue received from radio licences issued in the province of Alberta for the fiscal year 1929-30?
2. What radio inspectors or other officers were employed in the said province by this branch, during the said year?
3. What was the total expenditure of this branch in Alberta for the said fiscal year?

Mr. CARDIN:

1. Net revenue, $19,724.25.

2. Calgary (full year): 1 radio inspector; 1 stenographer; 1 part time inspector.

Edmonton (6 months): 1 radio inspector; 1 stenographer.

Lethbridge (full year): 1 part time inspector.

Medicine Hat (2 months): 1 part time inspector.

3. $8,724.86.

POST OFFICE DEPARTMENT—ROBERT HILL

Mr. CAMPBELL:

1. What is the nature of the position filled by Robert Hill in the post office?
2. What salary is he paid for this and any other governmental position, if any held?
3. What is the amount paid to him for travelling expenses since January 1, 1929?
4. What other amounts, if any, have been paid to him for the above period, and for what purpose?
5. Is it proposed to pay him any further amounts, and if so, for what purposes?

Mr. VENIOT:

1. Retained temporarily in consulting capacity on railway and post office terminal arrangements.

2. $3,420.

3. $913.59.

4. Nil.

5. None other than provided in parliamentary estimates.

FEDERAL DISTRICT COMMISSION

Mr. PLUNKETT:

1. What is the total amount of money which has been paid by the federal government into the Federal District Commission of Ottawa during the past ten years?

2. What specific amount of this total has been paid for each calendar year dating from 1920 to 1929, inclusive?

Mr. DUNNING:

1. $4,357,460.20.

2.

| Fiscal year | Amount paid |
|---|---|
| 1920-21 | $ 150,000 00 |
| 1921-22 | 150,000 00 |
| 1922-23 | 150,000 00 |
| 1923-24 | 150,000 00 |
| 1924-25 | 150,000 00 |
| 1925-26 | 150,000 00 |
| 1926-27 | 250,000 00 |
| 1927-28 | 225,000 00 |
| 1928-29 | 2,402,460 00 |
| 1929-30 | 580,000 00 |

## UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—PENSION OF LUDGER CARRIER

Mr. POULIOT:

For a copy of all correspondence, reports, petitions and other documents, concerning the application for a pension for Ludger Carrier, formerly an employee of the Canadian National Railways at Riviere du Loup.

MABOU HARBOUR DREDGING

Mr. MACDOUGALL:

For a copy of all letters, telegrams, petitions or other correspondence relating to dredging at Mabou harbour, Inverness county, Nova Scotia, during the years 1927, 1928, 1929, and 1930.

UNEMPLOYMENT

Mr. MACDONALD (Richmond West-Cape Breton):

For a copy of all letters, telegrams or other correspondence between the federal government and that of province of Quebec regarding unemployment.

## AMERICAN FURNITURE COMPANY

Mr. M. N. CAMPBELL (Mackenzie) moved:

For a copy of all reports, correspondence, and other documents in connection with the recent inspection of the books of the American Furniture Company, by officers of the Department of National Revenue, in connection with the increase in valuation of furniture imports from the United States.

Hon. W. D. EULER (Minister of National Revenue): I understand that the report with regard to this firm has not yet been received by the department, but I would say that in any case it is quite contrary to the practice of the department to disclose the business of any individual firm.

Mr. SPEAKER: Shall I say "Carried"?

Mr. EULER: No; I would object to the passing of the order.

Motion negatived.

## GRAND TRUNK RAILWAY COMPANY

PETITION OF FIRST AND SECOND PREFERENCE STOCKHOLDERS

On the orders of the day:

Mr. R. S. WHITE (Mount Royal): I desire to ask the Minister of Railways whether he has yet had time to consider the petition of the preference shareholders of the Grand Trunk Railway Company of Canada for compensation for the taking over of their property by the Dominion government?

Hon. T. A. CRERAR (Minister of Railways and Canals): No further consideration has been given to the matter than had previously been given.

## ANONYMOUS PAMPHLET

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): May I direct the attention of the Postmaster General (Mr. Veniot) to anonymous correspondence which the members have received to-day? I shall send him the envelope in which mine came. It came from Toronto and was mailed May 20, 1930. In that envelope I found a pamphlet entitled "Beckles Willson and Mackenzie King—The Modern Damon and Pythias." I will read a short extract:

In a cable dispatch from Paris, dated March 24, 1930, Mr. William H. Ingram reports an interview that he had with Willson in the French capital and he mentions casually that—

"A chance remark gave one to understand that Colonel Beckles Willson had been in friendly correspondence with the Hon. W. L. Mackenzie King."

Note the word "friendly." That makes it clear that nothing had occurred to disturb the relations between Mackenzie King and Beckles Willson up to March 24, 1930. That was nearly two weeks after the "frame-up" in parliament.

That quotation has been falsified. I have under my hand the article by Mr. Ingram that was published in the Ottawa Journal on April 5. It reads:

A chance remark gave one to understand that Colonel Beckles Willson had been in friendly correspondence, not only—

The words "not only" are omitted in the quotation in the pamphlet.

—with the Hon. W. L. Mackenzie King, but also with the Hon. R. B. Bennett.

I should like to know whether this correspondence with Mr. Bennett had something to do with the dedication of the book to the Prime Minister.

Hon. R. B. BENNETT (Leader of the Opposition): I believe the rules of the house permit hon. gentlemen to ask questions of other members. If my hon. friend will put his question on the order paper, I assure him he will receive an answer.

## RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. E. J. GARLAND (Bow River): May I direct the attention of the government to information I have received to the effect that Russian anthracite coal has now penetrated into the cities of western Ontario and is there displacing United States coal? I would ask the government whether they have any information regarding the matter and whether they are prepared to make a report in connection with an investigation which they have stated they have undertaken or are about to undertake?

Hon. CHARLES STEWART (Minister of the Interior): We have an official investigating the whole question of importation of Russian anthracite coal, but it will be some days before we will have a complete report. As soon as that is in our hands, we shall make it public.

Mr. BENNETT: We would like to have it before parliament prorogues.

Mr. STEWART (Edmonton): I doubt whether that is possible. Inquiries are being made.

## OWNERSHIP OF LANDS BY ORIENTALS

### PROPOSED REFERENCE TO SUPREME COURT OF QUESTION OF LEGISLATIVE POWERS

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): On the 19th instant, as reported on page 2216 of Hansard, I asked the Prime Minister (Mr. Mackenzie King) a question in regard to a resolution standing in my name respecting orientals. In reply to the last part of my question he said that the Minister of Justice would take the matter into consideration. Would the Minister of Justice say whether he has reached any decision?

[Mr. Pouliot.]

Hon. ERNEST LAPOINTE (Minister of Justice): The matter referred to in the resolution of my hon. friend was also submitted to the department by the hon. member for Comox-Alberni (Mr. Neill) some time ago. The trouble is the resolution seems to ask that certain questions which are of rather an academic character should be referred for decision to the Supreme Court of Canada, and our experience is that the court usually declines to answer such questions. There is no doubt that matters which for all purposes relate to aliens come under the exclusive jurisdiction of the parliament of Canada. The difficulty is that with respect to certain questions it is not always easy to ascertain whether the essence of the question comes within the meaning of the word "alien" under the British North America Act. If my hon. friend has in mind any special statute or regulation the validity of which he would like to be submitted to the supreme court, I shall be very pleased to have the Department of Justice look into the matter; but again, I repeat, questions of a general character I would not like to submit to the supreme court.

## UNEMPLOYMENT IN ALBERTA

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): According to press reports, the mayor of Calgary, with the mayors of other cities in Alberta, has approached the premier and provincial government in connection with a severe unemployment situation existing in Alberta. I would like to know if this government has received any communication from that conference; and secondly, is the government prepared to assume responsibility for the immigrants who are now being kept, and have been for some time, awaiting deportation.

Right Hon. W. L. MACKENZIE KING (Prime Miinster): I am afraid I cannot answer my hon. friend's question until I have had an opportunity of conferring with the other members of the government, but I will try to give him an answer to-morrow.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Hon. CHARLES A. DUNNING (Minister of Finance): My hon. friend from Lincoln (Mr. Chaplin) last night raised a question relating to item 94 and item 105, which were left standing. I intimated that in the

meantime I would look into the question he raised. I now desire to suggest, in order that there may be no doubt either as to definitions or otherwise, that item 105 be amended by inserting the words "crushed or" immediately before the word "frozen." The item would then read: Fruit pulp, with sugar or not, n.o.p., and fruits crushed or frozen, per pound. That leaves no doubt as to the inclusion of crushed fruits in that item. Is that satisfactory to my hon. friend?

Mr. CHAPLIN: The change as far as I am concerned is satisfactory, but I want to say this to the minister. When you have an article like grapes bearing only a two cents a pound duty, and you put the other item of crushed grapes in at three cents a pound, you are giving more protection than the growers ask for. It makes the thing look more or less ridiculous. That is one feature of it. A duty of three cents a pound on fruit pulp may be reasonable, but on crushed grapes it is not reasonable. That is the difference.

Mr. DUNNING: I have no desire to include it in an item which carries a higher rate of duty, but there has been consulation, from the point of view of administration, with the customs department, and they say that it ought to be administered under this fruit pulp item. I shall not enter into a debate on the matter. I prefer very much to have it in the other item, but for administration purposes they say that this is the place.

Mr. CHAPLIN: I shall have to abide by the advice of the administrators, but it seems to me that the minister himself is responsible, and not the officials who are administering the tariff. The most that the growers of this article ask for is two cents a pound. They do not want any more. To give a higher duty makes it look ridiculous. It is not needed However, if the minister has made up his mind, I am prepared to let the matter go. I want, however, to discuss the matter of grape juice, which is far more important to me, because as I pointed out yesterday the duty on the crushed grapes is two cents a pound. On that same basis there should be a higher duty on grape juice; otherwise, you might as well cut out the other duty. This morning I received a dozen telegrams from growers in different parts of my county. I will read one. It is from the Niagara Packers, Limited:

**Respecting tariff amendments, we respectfully beg to request that a duty of twenty-five cents a gallon be placed on the importation of grape juice tested not over ten degrees Baume test, and a further two and one-half cents a gallon on each additional degree.**

That is for the concentrated grape juice. In my remarks yesterday with respect to this matter, I pointed out to the minister that the tariff board had considered this article, and the minister was rather annoyed and said that the matter had not been discussed by the tariff board. Now, on page 33 of the fruits and vegetables report the tariff board set out a schedule. They do not promise any change of duties, they simply publish last year's duties. But here is the schedule, which confirms my contention:

Proposed item:

(a) Grapes in their natural state or crushed when imported from a country which imposes a customs duty on fruit produced in Canada, weight of package to be included in weight for duty, per pound: British preferential tariff, 1½ cents; intermediate tariff, 1¾ cents; general tariff, 2 cents.

(b) Grapes in their natural state or crushed, per pound: British preferential tariff, free; intermediate tariff, 1¾ cents; general tariff, 2 cents.

(c) Grape juice, per gallon wine measure, 25 cents.

The matter was thoroughly discussed by the fruit growers. I admit that afterwards it was learned that concentrated grape juice could be brought in, and they proposed that that should be taken care of in the way I have mentioned. If grape juice comes in concentrated, and if, for instance, five gallons can be concentrated into one, then that one gallon of concentrated juice should carry the same duty as the original five gallons would have carried. I have half a dozen telegrams from the grape growers of my constituency. Here is one from Vineland which is in the western part:

The members of our association representing a very large percentage of the grape growing industry are very much disturbed by reported omission of grape juice and grape juice concentrates. The lack of protection on this item for even the year nineteen thirty would by reason of the nature of this product prove disastrous to the grape growing industry.

That is signed by C. W. Bauer, president. Here is another from one of the largest wineries in Canada. They make fifty-five per cent of all the wine made in Ontario. This telegram comes from the adjoining riding:

The agent for the California Grape Growers Association here Monday soliciting orders for concentrated grape juice. Advised they expect to ship one million gallons concentrate to Canada this year which would produce more wine than made from Canadian grapes in one year. California surplus grapes in former years produced an over supply of raisins and Sherman Act did not allow fruit being destroyed so this year the California grape growers assisted by the federal farm board are making plans to take care of surplus grapes by using them for concentrated juice which will be sold for any-

thing to get rid of it. The federal farm board have already advanced thirty million dollars to the Cooperative Grape Growers Association to save the grape growing industry in the United States. Surely the Canadian growers will receive some protection against this.

These people know what the importation of this concentrated grape juice would mean. The grape growers, those who produce the grapes, represent the primary industry. I do not care a snap of the fingers for the wineries themselves. I want to look after the people who produce the grapes; I am interested in them. Some of these wineries wanted less duty imposed. They are friends of mine, but I had nerve enough to tell them that they were wrong, that they should not ask such a thing, that they would be killing an industry of the country, something that is rooted in the soil.

Mr. RYCKMAN: Mr. Chairman, I also have received a number of telegrams with regard to this matter. If the minister had said, "I am in possession of all this information, I have decided upon a definite course, and that course I am going to take;" I would have had nothing further to say, because it would be futile. But this is an important industry and we should encourage it. Heretofore growing grapes has not been a very—I emphasize the "very"—large industry in our country. Now there is an opportunity for it to develop and every class in the community should encourage it. I think some of these people have a real grievance. I cannot guarantee that they have because I do not know enough about the case, but I have learned sufficient to make me desire to know more about it. I think it would be in the interests of the country generally if the minister would take a few moments to consult with his experts. Then he could tell us, "I have said all I intend to say on this matter;" or, "I do realize that the case of the grape growing industry should be further considered." I have received the following telegram from Beamsville:

Our association who have been urging for months past that full necessary protection be given their product against grapes and grape juice plain and concentrated imported from United States or elsewhere are shocked to learn that there is grave danger of the item covering grape juice being left out of the budget. The effect of this upon our industry will be calamitous even if we are without protection for this year alone. We would again emphasize our request that provision be made in present budget for duty on grape juice effective for coming season's crop.

As I understand the situation, the California grape growers cannot get rid of their fruit and are rendering it down—shall I call it?—and shipping it over here just to get rid of it at any price. It cannot be the minister's idea, and I am sure it is not the opinion of this house, that a staple industry should be subject to any such competition. Neither free trade, high protection nor low protection enters into it. So I ask pleadingly that the minister should consider this matter. Then, if he says, "I have nothing further to say about it;" I shall accept his answer. I do think further consideration ought to be given to this important industry.

Mr. DUNNING: Mr. Chairman, as I indicated yesterday, there appeared, so far as the evidence before the tariff advisory board went, to be a new problem last year and the year before, represented by the crushed grapes to which my hon. friend from Lincoln refers. The crushed grapes are provided for in the item of fruit pulp which I proposed, and certainly they are definitely provided for by the amendment which I have to-day proposed for the purpose of clarification. Concentrated grape juice has not yet come into Canada, and it only arose as a possible factor a short time ago since the matter was inquired into. I have received, even from those interested, varying kinds of advice as to how the situation should be dealt with. Undoubtedly as the tariff now stands, concentrated grape juice is on an ad valorem basis, that is, it would bear a duty of 22½ per cent. The first request of the grape growers, before they knew of the existence of concentrated grape juice, was for a duty of 26 cents per gallon specific on grape juice instead of 22½ per cent ad valorem. Of course, since they have learned of the posibility of concentrated grape juice coming in, they realize that their request of 26 cents per gallon would be only 6 cents per gallon on the concentrated article, and they would be worse off with regard to concentrated grape juice than they were under the ad valorem tariff of 22½ per cent. My reason, quite frankly, for not proposing something of a definite character with respect to concentrated grape juice is that we have not yet got all the facts upon which we can base intelligent action. I will say to my hon. friend from East Toronto (Mr. Ryckman), who spoke very reasonably a moment ago in connection with the matter, that grape juice is not included in the present tariff proposals. It would not affect either of the items which have been left standing, in any case. I shall endeavour to stimulate all the inquiry I can between now and the time these tariff resolutions are disposed of with a view, if possible, to proposing something which will deal with

a matter which up to now has been an hypothetical situation with respect to grape juice. I do not make any definite promise, however, as to accomplishing very much.

Mr. BENNETT: What would concentrates pay if they came in now?

Mr. DUNNING: They would pay 22½ per cent ad valorem. If we leave things alone altogether they will continue to pay that amount. We have no information at all as to values. It is suggested that we might adjust the matter by using the Baume gravity test and other technical means of that nature. It is very easy to make a mistake in jumping at a matter of this sort.

Mr. BENNETT: We have already learned that.

Mr. DUNNING: It is a matter which is very technical in character and it only arose a very few weeks ago. I am not in a position to say more at the moment.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—94. Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty, per pound: British preferential tariff, free; intermediate tariff, 1½ cents; general tariff, 2 cents.

Mr. DUNNING: That is standing, and is carried by reason of this amendment.

Item agreed to.

Customs tariff—109. Nuts of all kinds, n.o.p., including shelled peanuts, n.o.p., per pound: British preferential tariff, 1 cent; intermediate tariff, 2 cents; general tariff, 2 cents.

Mr. BENNETT: Is item 106 passed?

Mr. DUNNING: Yes. There is no change in item 109.

Item agreed to.

Customs tariff—109(a). Peanuts, green, in the shell or not further processed than shelled: British preferential tariff, free; intermediate tariff, 1 cent; general tariff, 1 cent.

Mr. FRASER: How much of our peanut importation is affected by the change which has been made?

Mr. DUNNING: I will give the reason for the reduction in duty. It will be noticed that whereas formerly all nuts came in under item 109 at 1 cent, 2 cents and 2 cents respectively, it is now proposed to add an item for green peanuts in the shell or not further processed than shelled. The rates applying to this section are, under the British preferential tariff, free; under the intermediate tariff, 1 cent; and under the general tariff, 1 cent. The reason is that the people concerned have appeared before the tariff board on several occasions. This year the duty on raw shelled peanuts amounts to over 50 per cent ad valorem on the cost of freight value at Vancouver. That is the way the duty works out at the present time on shelled peanuts. In answer to the question of my hon. friend I say the net result is a reduction of all duties on green peanuts in the shell and raw shelled peanuts. The imports in 1929 were valued at $481,000, of which sum $309,000 worth came from China. The imports of raw shelled peanuts are included in the gross total of shelled peanuts which entered the country to a value of $1,174,000 of which $738,000 worth came from the United States.

Mr. BENNETT: They will now come in at 100 per cent less duty from the United States.

Mr. EULER: No, 100 per cent less duty would wipe it out altogether.

Mr. BENNETT: I meant to say that they would come in at half the duty.

Mr. DUNNING: The peanuts which are being allowed in cheaper are peanuts which are used generally in the manufacture of foods of various kinds and which are mixed with foods and cakes and things of that nature. In that connection it was represented to the tariff board that 50 per cent duty on goods of that kind which were being used largely for food purposes was entirely too high.

Mr. FRASER: What proportion of our imports is affected? What proportion will come in free, or what amount?

Mr. BENNETT: There would seem to be very little. The figures given would indicate that practically nothing would come in from the British Empire.

Mr. DUNNING: We have nothing of any consequence from the British Empire at the present time; it is a Chinese and United States product.

Mr. FRASER: I understood that.

Mr. DUNNING: It runs in my mind that there was some discussion about an African treaty, but I am not certain about it. Peanuts may be one of the commodities which are not produced within the British Empire; I would not like to speak with any degree of certainty in connection with that.

Mr. BENNETT: I think they are produced.

Mr. FRASER: I learn from what the minister has stated that the amount of duty paid on the importation of peanuts would not be materially affected. May I take that meaning?

Mr. DUNNING: I would not say that.

Mr. FRASER: I gathered that peanuts would come in at the present time practically the same as they had come in before, and the fact of putting them on the free list would not affect the duty which would have to be paid on the peanuts.

Mr. DUNNING: No. My hon. friend forgets that green peanuts in the shell or not further processed than shelled, which are the classes of peanuts used in the food industries throughout Canada, will be reduced under the general tariff from 2 cents to 1 cent per pound.

Mr. BENNETT: This is really a peanut policy.

Mr. DUNNING: They have been applying for it for years.

Item agreed to.

Customs tariff—135 (a). Invert sugar and all solutions of sugar or invert sugar and water which cannot be completely tested by the polariscope, not including syrups in receptacles not greater than 60 pounds in gross weight:

When exceeding 56 per centum but not exceeding 65 per centum total sugars, per 100 pounds: British preferential tariff, 68 cents; intermediate tariff, $1.23; general tariff, $1.23.

When exceeding 65 per centum but not exceeding 70 per centum total sugars, per 100 pounds: British preferential tariff, 74 cents; intermediate tariff, $1.33; general tariff, $1.33.

When exceeding 70 per centum total sugars, per 100 pounds: British preferential tariff, 83 cents; intermediate tariff, $1.50; general tariff, $1.50.

Mr. DUNNING: In connection with this item two points were raised during the budget debate. There was a feeling that this involved an increase in the duty on sugar and that it involved an increase in the duty on table syrup. I wish to say to members of the committee that it does neither. It is merely a means of overcoming what is now recognized to be an evasion of the duties on sugar. The proposal here is merely to make sure that this invert sugar, which is really sugar in liquid form, will be taxable at the same rate as sugar. The item will not affect table syrups, nor will it affect sugar; it has nothing to do with either of those items. The government chemists made some suggestions with regard to the technical terms and I propose that we should amend the item, so far as the technical terms are concerned, in accordance with the draft which you have before you. It is merely a matter of including terms which are nominally correct for analytical purposes.

[Mr. Bennett.]

Mr. BENNETT: How will it read?

Mr. DUNNING: The amendment will be as follows:

Invert sugar and syrups, a product of the sugar cane or beet, and all imitations thereof or substitutes therefor, not including molasses and not including syrups in receptacles of such size that the gross weight of receptacle and contents does not exceed 60 pounds:

When the total of reducing sugars after inversion is equivalent to more than 56 per cent, but not more than 65 per cent of invert sugars, per 100 pounds: British preferential tariff, 68 cents; intermediate tariff, $1.23; general tariff, $1.23.

When the total of reducing sugars after inversion is equivalent to more than 65 per cent but not more than 70 per cent of invert sugar, per 100 pounds: British preferential tariff, 74 cents; intermediate tariff, $1.33; general tariff, $1.33.

When the total of reducing sugars after inversion is equivalent to more than 70 per cent of invert sugar, per 100 pounds: British preferential tariff, 83 cents; intermediate tariff, $1.50; general tariff, $1.50.

My hon. friend will see that it is just a matter of technical terms.

Mr. BENNETT: Except you have added "not including molasses."

Mr. DUNNING: Yes, to make sure that nothing of that character is included.

Mr. ADSHEAD: What is the duty on raw sugar at the present time?

Mr. BENNETT: It depends on certain technical tests.

Mr. DUNNING: It corresponds to these, technically. The present sugar duties take up two pages of the customs tariff, and they are based upon the degrees of polarization per hundred pounds. My hon. friend does not want me to read two whole pages, I am sure, but he can find them on pages 27 and 28 of schedule A of the customs tariff.

Mr. MANION: What industries use this invert sugar?

Mr. DUNNING: Canning, to some extent; confectionery, to some extent; jam making, to some extent; any industry which can use liquid sugar. It is rather technical, because there are some industries which require the sugar in actual syrup form, to whom invert sugar properly so described would not be of use.

Mr. HEAPS: Has the minister the amount of this invert sugar which was imported into this country last year?

Mr. DUNNING: The import of it in this form, as distinct from the syrups which of course come in legitimately at a low duty, started not more than a couple of years ago. Last year the evidence before the tariff board indicated that some three hundred railway tank cars, came in.

Mr. COOTE: Will the minister say if there is any difficulty in distinguishing between syrup and invert sugar?

Mr. DUNNING: None at all, by the technical test which is here imposed It has been submitted to the chemist for that purpose.

Mr. MANION: Is there anything in this item which will be of assistance to plants making starch and corn syrup? Is there anything in this item which will assist them in any way?

Mr. DUNNING: That is difficult to say; the two things really are not interchangeable. In order to make absolutely sure that there would be no difference in the syrup aspect of this, we made clear that not only we excepted molasses but that we did not include syrup of any kind in receptacles of less than sixty pounds in weight.

Mr. MANION: The reason I am asking is that there are a number of plants, or one at least, in Canada which are idle but which did make starch and corn syrup. I was wondering if this would assist them in opening; I was hoping it would.

Mr. DUNNING: There is a possibility that by conversion to a limited degree the making of invert sugar might be carried on in such plants which are established on the basis of corn syrup production. My hon. friend can understand how highly technical the whole matter is, and I do not want to be too positive. I can say, however, that under the investigation by the tariff board it was well recognized by everyone that so far as the invert sugar was concerned, the new method of dealing with it by importing it in tank cars represented an evasion of the statutes with respect to the duties on sugar.

Mr. KAISER: The old duty on this was 50 cents; now it is raised to $1.23 and the minister says that makes no difference.

Mr. DUNNING: No, not in syrup. My hon. friend will understand that by inverting the sugar, by liquefying the sugar, it qualified under the old syrup item instead of coming in as sugar. That is why the figures shown opposite the tariff item are the syrup figures. It evaded the sugar duty and came in under the lower rate.

Mr. BENNETT: And you are now putting it on the sugar basis?

Mr. DUNNING: We are now putting it on the sugar basis.

Mr. KAISER: Then the 50 cent basis does not apply to invert sugar?

Mr. DUNNING: No.

Mr. CHAPLIN: There is nothing in this item which would increase the trade with the British Empire?

Mr. DUNNING: Well, there is a possibility, of course, to the extent that our own refiners get their sugar from the West Indies, principally. This invert sugar comes in of course from the United States, as my hon. friend understands, and in that case it is principally Cuban or Porto Rican sugar, which displaces Canadian sugar.

Mr. COOTE: Could the minister tell us whether there was any invert sugar made in Canada last year?

Mr. DUNNING: In consequence of this importation last year it was made experimentally for the first time. It is likely to be made commercially in the not distant future to deal with this class of trade which really needs liquid sugar as such.

Mr. COOTE: On the face of it this looks like an increase in protection afforded to anyone who wants to make invert sugar. Of course, I understand the minister's statement to be exactly to the contrary, but that is how it looks by reading the tariff item. If the minister will positively assure the house that there is no difference in the amount of duty to be charged, based on whatever test he is using here, there could be no objection to it.

Mr. DUNNING: I can illustrate it very simply to my hon. friend by telling him that these importations last year went as high as 70 per cent of solid sugar, and yet they were coming in as table syrup. He will understand that is manifestly a complete subversion of the use of our tariff. If we have a duty on sugar we must apply the duty to sugar, but by the process of inversion it was possible to get by technically as syrup, which really it is not at all.

Mr. ADSHEAD: It is really a thick syrup?

Mr. DUNNING: It was really sugar held in solution; that would be a more accurate description.

Mr. BENNETT: No, sugar held in suspension, and it settled and the sugar was available as such.

Mr. DUNNING: Yes, that is correct.

Mr. COOTE: It would help us to understand the item if the minister could tell us what the percentage of sugar may be in a heavy sugar syrup. I have not the faintest idea what it may be, but it is possible that it might be 50 per cent.

Mr. DUNNING: I cannot answer that offhand, but my hon. friend will notice that I have protected it in the item—at least I have not protected it—I have carefully avoided the possibility of genuine syrup being affected by including in the item the provision that it shall not include molasses or syrups in receptacles of such size that the gross weight of the receptacle and the contents does not exceed 60 pounds. That is to say, if they want to bring in invert sugar as syrup in receptacles of less than 60 pounds, even yet they can get away with that, but as a matter of fact it is known that it would be uneconomical to handle it in that fashion. It is a tank car proposition.

Mr. BENNETT: Should not they be able to bring in syrup in tank cars, glass lined?

Mr. DUNNING: We are advised that there is no demand anywhere for that method of transporting syrup. My hon. friend will understand that invert sugars are easier to handle than syrup.

Mr. COOTE: We did not have the minister's amendment before us; we only heard it read, and it was rather lengthy and we could not grasp everything that was in it.

Mr. DUNNING: If it is desired I will gladly read it again, but I can assure my hon. friend that it is a chemist's description of the test to be applied and is exactly the same in its practical effect as the original wording. There is no difference otherwise at all, and I am sure the technical terms used would mean no more to my hon. friend than they do to me, in actual fact.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—141. Sugar candy and confectionery, n.o.p., including sweetened gums, candied pop-corn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar, the weight of the wrappings and cartons to be included in the weight for duty, per pound: British preferential tariff, one-half cent and 22½ per cent; intermediate tariff, one-half cent and 35 per cent; general tariff, one-half cent and 35 per cent.

[Mr. Adshead.]

Mr. COOTE: The minister might tell us if there is any difference, and why this is put in here. There is no change in the rates, apparently.

Mr. DUNNING: I have an amendment to item 139 of the existing tariff, which item is not included in the list before hon. members. This is rendered necessary by the item we have just discussed, the invert sugar item. Because we have mentioned syrups in the invert sugar item it is necessary to add the letters "n.o.p." to item 139 of the existing tariff, which is as follows:

Glucose or grape sugar, glucose syrup and corn syrup, or any syrups containing an admixture thereof. . . . .

We are adding the term "n.o.p." because for the first time syrups are mentioned in another item.

Mr. CHAPLIN: That item does not appear on this sheet.

Mr. DUNNING: It is just the addition of the words "n.o.p." to an existing item.

Amendment agreed to.

Mr. COOTE: Has the minister considered giving Great Britain some preference on these items?

Mr. DUNNING: This item appears in the amending schedule because candied peel has been taken out of the item and put in its proper place along with fruit. There has been no attempt to interfere with the item.

Item as amended agreed to.

Customs tariff—148. Cider, not clarified or refined, per gallon: British preferential tariff, free; intermediate tariff, 5 cents; general tariff, 5 cents.

Mr. BENNETT: The apple growers of British Columbia and of Nova Scotia have been endeavouring to produce a cider of a quality comparable to British cider. The little protection which they had permitted a foundation to be laid for this industry, but that small measure of protection is being removed. The hon. gentleman knows that a great effort has been made in recent years to extend the sale in Canada of British cider and since prohibition has been in force, this drink has had a very considerable vogue.

Mr. DUNNING: All cider would not qualify for prohibition uses; I am thinking of the old Somerset cider.

Mr. BENNETT: I was thinking of the cider sold by Bulmer's and other manufacturers. I was informed last year that a very considerable sum of money had been expended in taking care of the industry in British Columbia, where considerable quantities of apples have decayed because there was no market for them. The same situation exists in Ontario. The effect of this item will be to deprive this industry of the little protection it had in the past. Cider from Great Britain will be on the free list, whereas previously it paid a duty of 10 cents per gallon for the clarified, and 5 cents a gallon for the unrefined. I think this matter is worthy of serious consideration. The loss of apples due to conditions which have been referred to already is tremendous, and it is very essential that this industry should be stimulated. I had no idea of the magnitude of this industry in England until I had occasion to investigate it because of an endeavour being made by some friends to establish themselves in British Columbia, Nova Scotia and Ontario. The dining cars now sell a brand of cider known as Evangeline, which is made from Nova Scotia apples. This is a cider mixed with soda, and considerable trade has been developed. Tremendous efforts have been made to extend the cider business of Great Britain into the overseas countries, and I feel quite certain that the passage of this item will be very injurious to the endeavours being made to establish such an industry in Canada.

Mr. DUNNING: I appreciate the manner in which my hon. friend has approached this question. In investigating this particular commodity, I was somewhat surprised to find that there were no imports from Great Britain of both items, and the total imports from other countries of the first item were valued at only $7, and of the second item, at $240, of which $118 worth came from Switzerland. I cannot comprehend why there were imports from Switzerland.

Mr. BENNETT: I think I can help the minister out on that; I believe those importations were for the purpose of experimentation in connection with the establishment of the industry. I happen to know what has been going on in that direction, and there are some gentlemen who are very earnestly endeavouring to establish this business in British Columbia. The fact is that the existing duty has been prohibitive so far as cider is concerned—perhaps not prohibitive, but it has been sufficient.

Mr. DUNNING: My hon. friend is quite right, it was prohibitive.

Mr. BENNETT: My hon. friend probably knows of the advertisements which appear quite frequently in Punch with respect to a very well known brand of British cider, known practically the world over. Up to the present time, that cider has not entered the Canadian market, but I think the elimination of the protection at present in force will destroy any possibility of our developing the industry in this country.

Mr. SHORT: In view of the fact that the importation of cider has been almost nil, why has the tariff been changed? Does the minister want to kill the industry we have built up in this country? A considerable business has been built up in my constituency, particularly in the Evangeline cider referred to by my hon. leader. Now the minister is going to open it up, and make cider free from all countries.

Mr. DUNNING: No.

Mr. SHORT: If there have been no importations, why has this item been touched? Is it just to increase the list of free items from British countries?

Mr. DUNNING: My hon. friend has made two incorrect statements. He said that it is proposed to make cider free from all countries; that is the first error. My hon. friend stated that this item has been included merely to increase the list with regard to—

Mr. SHORT: I meant from all British countries.

Mr. DUNNING: My observation has been that cider is not a drink commonly in use in Canada.

Mr. SHORT: There is a great deal of it used.

Mr. DUNNING: I believe the production of cider is confined at the present time to the Evangeline plant. My information is that the degree of protection has nothing to do with this commodity, the situation is rather one of economy in production and up to the present time Canada has not been able to develop that economy. I thought that if a reasonable opportunity were given to Canadian people to drink British cider—

Mr. BENNETT: What about allowing them to drink Canadian cider?

Mr. DUNNING: —that would not injure the Canadian cider industry. From the information I have received, I do not think that cider can be produced in Canada from Canadian apples as cheaply as it can be produced in Somersetshire or any of the other apple growing counties in England. This industry

has been carried on in the old country for hundreds of years, it is part of their daily farm life. In spite of the degree of protection afforded this industry, it has never attained any considerable proportions in Canada. I can conceive of the Canadian cider industry being helped by the cultivation of an appetite for cider on the part of the Canadian people. The Canadian industry has not succeeded in bringing that about, but it is conceivable that the British cider people could do it with their wider advertising facilities. I am quite sure that the Canadian cider industry will not suffer as a result of this amendment, and it is quite possible that Canadians may become a little more partial to cider as a result of being able to obtain that article from Great Britain.

Mr. SHORT: That is a very lame excuse.

Mr. CHAPLIN: Especially if it is hard cider.

Mr. SHORT: British cider is to be allowed to come in free in order to help the Canadian industry; that is about the argument the minister is making. I wonder, if he used that argument in regard to all the other articles, where we would arrive. The apple industry in our district during the last few years has been labouring under a great depression. It has been difficult to find a market for other than No. 1 grade and a great deal of the other grades has gone into cider. The minister, by allowing British cider to come in free, is now trying to kill that little industry which we have been spending years in endeavouring to work up. We did have a protection of five to ten cents a gallon against British cider. The argument the minister advances is, to my mind, a very lame one and I wonder whether he would use it in regard to other articles as well.

Mr. KAISER: What is the value of imports of cider from the United States?

Mr. DUNNING: Last year we imported $3 worth from the United States.

Mr. ADSHEAD: How much was exported from Canada?

Mr. DUNNING: There is no export business from Canada.

Mr. COOTE: Does the minister know how much cider is produced in Canada?

Mr. DUNNING: I have not the production figures. I might say for the information of my hon. friend, who, I am sure, wants to be fair—

Mr. SHORT: Certainly.

[Mr. Dunning.]

Mr. DUNNING: —that cider which contains more than 2½ per cent of proof spirits would come in at duty of $2.50 per gallon from the old country.

Mr. SHORT: That is not new cider.

Mr. DUNNING: Many people think it is better than the ordinary variety.

Mr. SHORT: They keep that for home consumption.

Mr. CHAPLIN: The minister said that we had no exportations of cider.

Mr. DUNNING: None, so far as I have any record.

Mr. CHAPLIN: I should like to correct that. My record shows that in 1929 we exported 6,327 gallons and in other years as much as 100,000 gallons.

Mr. DUNNING: I thank my hon. friend for the information.

Mr. BENOIT: Where to?

Mr. CHAPLIN: If my hon. friend will take the trouble to look up the records, he can find that out.

Item agreed to.

Customs tariff—149. Cider, clarified or refined, per gallon: British preferential tariff, free; intermediate tariff, 10 cents; general tariff, 10 cents.

Item agreed to.

Customs tariff—167. Malt, whole, crushed or ground, and malt flour, n.o.p., upon entry for warehouse subject to excise regulations, per pound: British preferential tariff, ⅛ cent; intermediate tariff, ¼ cent; general tariff, ¾ cent.

Mr. COOTE: Would the minister say whether there is any real change in this item? Are the rates approximately the same, or what change is there?

Mr. DUNNING: There is an increase. A considerable amount of evidence regarding this matter was placed before the tariff board. It linked itself up with the production of barley in Canada for malting purposes, the production of malt from that barley, the importation of malting barley from the United States for malting purposes and, finally, the importation of malt as such from the United States. I was astonished to find, for instance, that in 1929, in spite of the ability of this country to produce barley, we imported 41,000,000 pounds of malt from the United States.

Mr. COOTE: At what value?

Mr. DUNNING: $1,300,000. It will be noticed from what was done in committee yesterday that the rates of duty on barley were increased. This increase in the rate on malt follows that proportionately. I have no doubt that the production of malting barley in Canada will be stimulated by the change and that nobody will be hurt thereby.

Mr. MANION: What do the former rates, which are all forty-five cents, refer to?

Mr. DUNNING: They are per 100 pounds. My hon. friend will notice that the change involves a reduction in rate under the British preference, a slight increase under the intermediate and it will be seventy-five cents per 100 pounds under the general as compared with forty-five cents previously. The rates have been carefully worked out and I believe they will prove beneficial to the industry generally.

Mr. MANION: I am sure of that.

Mr. CHAPLIN: Will that tend to increase British imports?

Mr. DUNNING: With respect to malt crushed or ground, and malt flour, yes. With respect to malt generally, I do not expect it will.

Item agreed to.

Customs tariff—168. Malt flour containing less than 50 per centum in weight of malt; malt syrup or malt syrup powder; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign or excise duties, under regulations prescribed by the minister, per pound: British preferential tariff, 3 cents and 25 per cent; intermediate tariff, 3 cents and 30 per cent; general tariff, 3 cents and 35 per cent.

Mr. COOTE: I suppose this whole item of malt was investigated by the tariff advisory board?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—183. Newspapers, or supplemental editions or parts thereof, partly printed and intended to be completed and published in Canada: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. BENNETT: No change in that except the British preference?

Mr. DUNNING: That is all.

Item agreed to.

Customs tariff—200. Pulp of wood, of straw or of any other vegetable fibre: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. COOTE: Are there any imports from Great Britain under this item?

Mr. DUNNING: Of course not.

Mr. MANION: I understand this item was discussed before the Tariff Advisory Board. Was any objection made before that board by the pulp and paper people in regard to this item being made free from the British empire? I believe the other duties are the same. As regards the British preferential tariff which might involve the bringing in of pulp of the sugar cane, was any objection made by the pulp and paper people?

Mr. DUNNING: Not as relating to this item. This is purely a rewording for administrative purposes. For instance, pulp is made of other materials than those named in the former item. The materials formerly named were only wood and straw. The item is widened to include, for instance, pulp made from rags which is used in the manufacture of certain fine grades of paper. This is merely a widening of definition to ensure that all forms of pulp are covered. There is no objection so far as I know from any quarter in regard to the point raised by my hon. friend.

Mr. MANION: I was informed unofficially that there was objection because of the possibilities of pulp of straw, for example, interfering with some of the by-products of the pulp and paper industry of this country. I cannot say whether that is the case or not, but if it were it would be regrettable, because one of our great industries, perhaps the third greatest is the pulp and paper business.

Mr. ADSHEAD: What was the former duty on pulp made of rags?

Mr. DUNNING: That came under the general provision for unclassified materials.

Mr. ADSHEAD: How much was it?

Mr. DUNNING: It would vary from 17½ to 25 per cent.

Mr. ADSHEAD: Is it increased under this item?

Mr. DUNNING: I would not say so. It simply does not come in. We want to make provision for it.

Mr. FRASER: Would pulp of sugar cane be admitted free to this country? It is an article used in making an insulating material.

Mr. DUNNING: Of course, if it came under this item, it would carry a duty of 25 per cent under the general tariff and 22½ per cent under the intermediate tariff. It is rather difficult for me to say whether that refuse material the hon. member for Fort William spoke of and referred to again by my hon. friend, is correctly described as pulp. I am not sure whether it is pulp. It was not considered as coming under this item which was merely redrafted to ensure the inclusion of all pulp. There is always the matter of definition which the board of customs has to deal with. I cannot personally undertake to differentiate between what may be pulp, and what may be refuse pulp but not technically of a pulp character.

Mr. BENNETT: Pulp has to be converted by grinding or by chemical process.

Mr. DUNNING: That sounds a reasonable explanation.

Mr. FRASER: My question was directed to the minister for this purpose. We have an insulating material made in this country out of refuse straw and wood pulp. The pulp material coming into this country carries a low rate of duty. On the American side they make this insulating material out of the refuse of the sugar cane, and what I was interested in was whether it would not be possible to have a duty on the finished article and still allow the manufacturers of insulating material in Canada to get their pulp in under this item.

Mr. DUNNING: That is a matter of customs ruling, but I would point out to my hon. friend that even if the material he refers to were pulp it would still have to pay 25 per cent to come into this country.

Mr. YOUNG (Weyburn): If it was not the intention to include the pulp of sugar cane in this item, could not the the difficulty be cleared up by adding the words "of a class or kind produced in Canada."

Mr. MANION: The very fact that the minister is rather hazy on the question and admits it, and the rest of the house being just about as hazy, only emphasizes the danger of inserting an item as to which we do not know the whole facts. My hon. friend from Cariboo spoke of insulating material being made in Canada. There are in Canada at least one or two plants, and perhaps more, making insulating material. One of them that I know makes insulite. It is not made from wood pulp, but from the refuse, the bark, I take it, and other refuse from pulpwood. It is a very fine line of manufacture and is a by-product of the pulp and paper industry. By a coincidence, I happened to receive a letter this morning from a very good friend of mine who is to-day in Finland. He is an American engineer who has been sent over there by one of the big American pulp and paper manufacturing companies to build an insulite plant. The pulp and paper production is quite important in Finland, and for market reasons or otherwise they desire to have a plant built for the manufacture of insulite out of the by-products of the pulp and paper industry. I happen to know that this same company is seriously considering building one of these plants in Canada. I just mention that in passing. I do not know positively whether this item would interfere with the establishment of such a plant in this country, but it is just possible it might have that effect because the by-products of the sugar cane, the sugar cane itself being brought in as pulp, might be used in the manufacture of insulating material.

Mr. DUNNING: If it came in under this item, it would bear 25 per cent duty.

Mr. MANION: Not if it came from the British West Indies.

Mr. DUNNING: Oh, I see.

Mr. MANION: It might come in from the southern states, but would be more likely to come in from the British West Indies. I just mention that in passing as illustrative of the difficulty of settling these items intelligently in the house.

Mr. DUNNING: In view of the discussion and of the fact that I simply wished to clarify the item for administrative purposes not relating to the matter now under discussion at all, the wiser plan would be to drop the item, and then we would not be interfering with any existing situation.

Mr. KING (Kootenay): I move that this item be dropped.

Motion agreed to.

Item dropped.

Customs tariff—202. Boot and shoe patterns manufactured of paper: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—207. Blood albumen: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. DUNNING: No one can tell me what blood albumen is, but the officials request that it be left in the tariff. There is no change. Formerly this item was in under eggs. We have put eggs where they belong.

Mr. BENNETT: You are making two items out of this instead of one?

Mr. DUNNING: It is really making five items out of four.

Item agreed to.

Customs tariff—208g. Calcium molybdate when imported by manufacturers of steel for use exclusively in the manufacture of steel, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, 5 per cent.

Mr. COOTE: How much do we import in a year under this item, and where do the imports come from?

Mr. DUNNING: The present importations are untraceable at present. It is one of the unenumerated items of the tariff. The rates at present on calcium molybdate, under item 711, are 15, 17½ and 17½ per cent. It is one of the materials used in the making of steel. It has been represented to the tariff board that calcium molybdate, being a ferro-alloy substitute, should bear the same rate as ferro-molybdenum, and to this end this new item is worded. It brings it into line with other ferro-alloys.

Item agreed to.

Customs tariff—232a. Gelatin capsules, empty, when imported for use exclusively in the manufacture of medicinal and pharmaceutical preparations: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. BENNETT: Does the wording make it clear that the druggist who is importing will get the benefit of this reduction?

Mr. DUNNING: There is a point there as to the extent to which the druggist is using gelatin capsules in the manufacture of pharmaceutical preparations. The whole point in connection with it is this: Under the old rates the duty on the unfilled capsules was higher than on the completed article, and it was felt desirable to give this relief.

Mr. FRASER: What are the importations?

Mr. DUNNING: It is an untraceable item. It came in under the general item of "not otherwise provided for."

Mr. BENNETT: The hon. member for St. Boniface, who is a medical man, will be able to say whether or not the item as it now reads is wide enough to cover the druggist who uses these capsules in his business, and who might not be said to be in the manufacture of pharmaceutical preparations. As the item reads, it applies only to the manufacturer. The druggist is in a sense a manufacturer when he fills the capsules on the prescription of the doctor, but in the other sense he is not a manufacturer. Whether this item as it is worded would enable the druggist to take advantage of it I cannot say.

Mr. HOWDEN: The druggist imports all these capsules empty. He manufactures none at all.

Mr. BENNETT: That is what I say, and I am afraid that the item as it is worded would not enable him to benefit because he is not a manufacturer; he is a user.

Mr. DUNNING: It is intended to apply to all who use these capsules by filling them.

Mr. BENNETT: But one is a manufacturer, like a large firm, and the other is the country druggist.

Mr. DUNNING: I suppose the process would be the same with the manufacturer and with the country druggist. The manufacture would consist of filling the capsules with some material.

Mr. BENNETT: It is done by machinery in the one case, in a factory, and in the other case by the druggist on a doctor's prescription.

Mr. HOWDEN: The druggist fills the capsules on the prescription of a doctor.

Mr. COOTE: If this is intended to be of any advantage to the druggist, it is not well worded, because the druggist will often fill the capsules with something that has already been manufactured. He is simply filling the capsules, not manufacturing. The way the item is worded has the effect of making a donation to the man who is putting up a proprietary medicine.

Mr. ROSS (Kingston): Are these manufactured in Canada?

Mr. DUNNING: No.

Mr. ROSS (Kingston): Is the minister sure?

Mr. DUNNING: The evidence before the tariff board was to that effect. I can only rely on that.

Mr. ROSS (Kingston): That is one of the little things so very difficult to the business man. He has to give a certificate that these capsules are being used solely in the manufacture of medicinal and pharmaceutical preparations. This causes him the same trouble as I mentioned in regard to another article

the other day. Every time the business man is required to get a certificate he is put to extra trouble. This is the complaint of every business man.

Mr. BENNETT: "Exclusively" is the difficult word.

Mr. MANION: Yes, the wording is that these gelatine capsules are for use "exclusively in the manufacture of medicinal and pharmaceutical preparations." As my hon. friend from St. Boniface (Mr. Howden) says, drugs are put up in these capsules. No doubt thousands of these capsules are used in Canada every day. They are very simple little containers. I do not know if the minister is familiar with them.

Mr. DUNNING: I have had to swallow some.

Mr. MANION: They are so simple that it ought to be the easiest thing in the world to manufacture them here. I should hate to see something done that would prevent their manufacture in Canada.

Mr. DUNNING: The evidence given by the gelatin manufacturers was that none of them were making these capsules.

Mr. CHAPLIN: I understood one person representing a gelatin works stated they had been figuring on making these capsules.

Mr. DUNNING: And afterwards he wrote and said he was not interested. With regard to the important point raised first, I think, by the leader of the opposition, probably there might be some merit in inserting a word which at least would make it clear that the ordinary druggist who is filling these capsules would have the same right in connection with the matter as a large manufacturer.

Mr. HOWDEN: Insert the words "or compounding."

Mr. DUNNING: "In the manufacture or compounding" would cover everything, would it not?

Mr. MANION: Yes.

Mr. DUNNING: The Minister of National Health (Mr. King) moves that the words "or compounding" be inserted after the word "manufacture." The item will then read:

Gelatin capsules, empty, when imported for use exclusively in the manufacture or compounding of medicinal or pharmaceutical preparation.

Mr. COOTE: Why not strike out all those words and say "gelatin capsules?" Are they used for any other purpose?

[Mr. A. E. Ross.]

Mr. DUNNING: At the present time, no; but in these days of advancing science the matter may develop. We had instances of this in invert sugar and crushed grapes.

Mr. BENNETT: This budget is another.

Mr. DUNNING: My hon. friend will be better satisfied with it by and by. We desire to do this with respect to the particular use to which gelatin capsules are put. Let us stick to that use instead of going into the unknown.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—235. Liquorice paste, not sweetened: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 17½ per cent.

Item agreed to.

Customs tariff—235a. Liquorice in rolls and sticks, not sweetened: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 22½ per cent.

Item agreed to.

Customs tariff—236a. Paper refills for sputum cups; paper pocket sputum cups: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. CHAPLIN: Why is this put on the free list? Have we not enough paper manufacturers to make this article?

Mr. DUNNING: We are doing so.

Mr. CHAPLIN: You are making it free because we are manufacturing the article?

Mr. DUNNING: My hon. friend is just baiting me. There were $4,490 imports from the United States only; none came in from Great Britain. It is obviously one of those items in which a tariff against Great Britain is an absurdity. The item is put on the free list to remove that absurdity.

Mr. CHAPLIN: Why not increase the duty against the American item?

Mr. BENNETT: He does not expect business from Great Britain.

Item agreed to.

Customs tariff—237. Celluloid moulded for handles or knives and forkes, not bored or otherwise manufactured; moulded celluloid balls and cylinders, coated with tin foil or not, but not finished or further manufactured, and celluloid blanks for lamp shades and for combs: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. FRASER: Is that a similar item?

Mr. DUNNING: No. The principal imports came from the United Kingdom. They are semi-finished forms for processing in Canada.

Item agreed to.

Customs tariff—238a. Manufactures of celluloid, viz: hair pins, braid pins, barettes, barette blanks, shoe horns, knitting needles, crochet sets, golf tees; lamp shades, stencilled or painted: British preferential tariff, 15 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. CHAPLIN: There is an item on which the duty has been raised 100 per cent against the United States.

Mr. DUNNING: No. My hon. friend had better read all the articles embraced in this item before passing judgment.

Mr. BENNETT: The general tariff rate of 17½ per cent has been raised to 35 per cent.

Mr. DUNNING: That is the general item of the tariff in which all items which cannot be placed anywhere else are placed. Very little came in under that one item.

Mr. CHAPLIN: What are the importations from the United States?

Mr. DUNNING: They amounted to $856,000.

Mr. CHAPLIN: What were the importations from the United Kingdom?

Mr. DUNNING: Nothing substantial.

Mr. BENNETT: Some golf tees came in.

Mr. FRASER: Are there any manufactures of it in Canada?

Mr. DUNNING: Yes, they are all made in Canada.

Mr. FRASER: And you said that we imported $856,000 worth?

Mr. BENNETT: That is the reason for giving the additional protection to Canadian industry. We use $856,000 worth of these articles secured from other countries, and our manufacturers are given by way of additional protection a minimum of 5 and a maximum of 17½ per cent. The rate is doubled in one case. The British Empire tariff is taken off altogether.

Mr. DUNNING: No, it is 15 per cent.

Mr. BENNETT: Yes.

Mr. LUCAS: Are there any importations from the United Kingdom at the present time?

Mr. DUNNING: No.

Mr. LUCAS: What is the principle underlying these items in regard to the British preferential tariff? Take item 237, free, and item 238 (a), 15 per cent. Why are those two treated so differently?

Mr. DUNNING: I cannot follow my hon. friend's numbers. He is not quoting the item under discussion.

Mr. LUCAS: We are discussing 238a at the present time, and we have just passed 237.

Mr. BOIVIN: I have two manufacturers in my constituency manufacturing these goods. Some of the articles were not classified at all in any of the schedules. We want to separate this classification from the other items. These items are mostly luxuries which suffer competition from the United States. We are getting over $800,000 worth from the United States and we are trying to produce the goods in Canada.

Mr. BENNETT And we are getting additional protection.

Mr. BOIVIN: These several items are luxuries and articles affected by questions of style. I want to draw the attention of the minister to the fact that there has been a request made as to the size of sliding buckles to be added to the item. They are at the present time specified in celluloid, generally, and I may say to hon. members that $22,000 worth of this material came from Great Britain last year. There will be a materially widened preference to Great Britain against the large importation of this material from the United States.

Mr. COOTE: We are not very clear in regard to these two items. I do not know whether or not the minister knows the amount that came in from Great Britain under item 238(a).

Mr. DUNNING: About $22,000 worth.

Mr. COOTE: It seems to me that there is too much protection in this case. The manufacturer is getting his moulds free, and then he has 15 per cent on the finished article.

Mr. DUNNING: The previous item does not relate to this item at all. My hon. friend is comparing two items which are not related.

Mr. COOTE: It seems to me they are very closely related.

Mr. DUNNING: Blanks for lampshades and combs might apply.

Mr. CHAPLIN: The minister has told us that something like $1,000,000 worth came in under this item in 1929 from the United States.

Mr. DUNNING: The amount that came in was $856,000 worth.

Mr. CHAPLIN: That is for the year 1929. On this item the amount that is shown in the trade statistics for Canada is $788,000. However, those two figures are too close to worry about. What was the duty collected on that item?

Mr. DUNNING: I find—

Mr. CHAPLIN: What was the percentage of duty?

Mr. DUNNING: It varies; some came in at 17½ per cent as unenumerated; some came in at 30 per cent; there was some at 30 per cent under another item, and under another item at 17½ per cent, and another item at 17½ per cent. The point is that we wish to put similar articles together which carry a uniform rate of duty. We wish to have articles which are reasonably uniform in character placed together.

Mr. CHAPLIN: The record I have before me shows that the amount imported was valued at $788,000, and the amount of duty collected thereon was $138,000, in connection with this particular item.

Mr. DUNNING: That is the United States importation.

Mr. CHAPLIN: Yes, the United States item; that would seem to be equal to about 15 per cent.

Mr. DUNNING: Your information must be wrong, because the rates of duty in every case are above that.

Mr. CHAPLIN: I am taking my figures from governmental records, and I have the records before me. I have quoted the figures given under the manufactures of celluloid. Importations are given from the United Kingdom and from a list of other countries. The total amount recorded under the general tariff is $788,000 worth, and the duty collected thereon was $138,000.

Mr. BOIVIN: What tariff item is that?

Mr. CHAPLIN: It is the item of manufactures of celluloid.

Mr. BOIVIN: But there are several items under that heading.

Mr. CHAPLIN: I know there are. I refer to the manufactures of celluloid. Some of the items to which you referred are free. The ones to which I refer are dutiable items not otherwise provided for. The fact of the case is that the duty from the United States on the large items amounts to around 15 or 16 per cent, as far as I can figure out.

Mr. DUNNING: It could not possibly be less than 17½ per cent, because there is not an item included in this list which carries less than that percentage.

Mr. CHAPLIN: How do you figure that the importations from Great Britain will increase if the tariff item remains the same as it was, so far as Great Britain is concerned.

Mr. DUNNING: But it does not remain the same as it was.

Mr. CHAPLIN: It is shown here at 15 per cent.

Mr. DUNNING: The three items which are grouped under this heading came in from Great Britain at 20 per cent. The items are: Nos. 624, 419 and 435. They came in at 20 per cent.

Mr. CHAPLIN: They must be very small, because the big item is here.

Mr. DUNNING: Probably so.

Mr. CHAPLIN: They must be very small. From this item do you expect that the manufactures from the old country will increase?

Mr. DUNNING: Yes, I expect an increase.

Mr. CHAPLIN: Based upon a reduction of about 2½ per cent.

Mr. DUNNING: Partly upon that, and partly upon the increased spread as between British preference and the United States tariff. I may assure my hon. friend that I did not make a definite estimate, but nevertheless I do expect that there will be a development of business.

Mr. CHAPLIN: Is that the basis upon which you have raised the general tariff to 35 per cent?

Mr. DUNNING: Yes.

Mr. CHAPLIN: Why did you not do it in the other cases? I am not finding fault with this; I think it is a proper thing to do, but I am surprised that the minister did not adopt a similar course in other lines if he wished to increase business.

Mr. COOTE: We would like to find out upon what principle the reduction is made.

In item 237 the tariff against Great Britain is reduced from 5 per cent to free. Under item 238 (a) there is no reduction at all; the rate is just the same.

Mr. DUNNING: Yes, there is a reduction. It is quite apparent that my hon. friend is not reading all the items which are now grouped under 238 (a). If he makes a careful study he will find that there are three items in the present tariff which carried the 20 per cent duty under the British preference, and under the new item they will come in at 15 per cent along with the other items which come in at 15 per cent.

Mr. COOTE: There is a reduction in some, but not in the others.

Mr. DUNNING: Yes, and there is no increase in any.

Mr. COOTE: Has the minister any information in regard to item 237 whereby celluloid moulded for handles of knives and forks comes in free? What rate of duty would be paid on those handles?

Mr. DUNNING: Handles for knives and forks would bear the same rate as cutlery.

Mr. COOTE: If that is done we would have a rate of protection against all manufactures. If manufactures are going to be protected 20 per cent or 30 per cent, it is hard to understand why moulded handles should come in free.

Mr. DUNNING: If my hon. friend will keep this item before him we will deal with it when we reach the item of cutlery, and the matter will then be cleared up.

Mr. KAISER: Did this item come before the tariff board?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—262. Olive oil, n.o.p.: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. GEARY: Do goods imported from Palestine come in under the British preference?

Mr. DUNNING: No, not yet.

Mr. GEARY: Nothing of this nature is imported from Great Britain.

Mr. DUNNING: Last year under the British preferential tariff there were imports to the value of $2,155.

Mr. HOWDEN: What is the ratio of the importations of olive oil from the British Empire as compared with importations from places outside the British Empire? The reason I ask is that olive oil has a very great food and medicinal value. It is a very valuable commodity, and it is one which should be at the disposal of citizens in this country. It is my opinion that the duty on olive oil should be as low as possible.

Mr. COOTE: It should be as low as the duty on tea.

Mr. HOWDEN: Yes, as low as the duty on tea.

Mr. DUNNING: At present the situation is that imports under the British preference amounted to $2,155, while total imports were $615,000, of which $384,000 came from Italy. In making it free under the British preference we had in mind the fact that at present olives are not largely cultivated, so far as I know, in any part of the British Empire. Palestine is not yet under our British preference, but there is a hope in that direction.

Mr. HOWDEN: That is why the duty is retained?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—263. Compounds of tetraethyl lead, in which tetraethyl lead is the preponderant constituent by weight: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. FRASER: What is the idea of reducing the tariff all around on this item?

Mr. DUNNING: This enters to an untraceable extent, under item 711, which is the basket item of the whole tariff. The common name for this article is ethyl fluid, and it is a preparation the method of manufacture and the use of which in gasoline is covered by patents the world over. Up to the present the Canadian supply has come entirely from the United States, and has been imported by oil refiners in Canada who added the fluid to their gasoline products to produce a gasoline of low knock quality, the grade of which is continent wide and definitely set. Ethyl fluid can be added to any gasoline but ordinarily it is applied to the better refined gasolines. It has not been enumerated up to the present time in the tariff; that is, there has been no place for it at all, and it has been ruled dutiable under item 711. Application was made to the tariff board for specific inclusion in the schedules, and for a reduction in rates. In this application the Canadian refiners joined, but did not ask that the low rate item be restricted to use by refiners. At the date of the hearing ethyl fluid was quoted at $19.93

per wine gallon, f.o.b. Wilmington, Delaware, and one applicant company had imported it in the previous year to the value of $290,000. This value represented only one carload. It will be seen that it is a product of very high value, $290,000 for one carload.

Mr. BENNETT: Making it free from Great Britain, of course, is but an idle gesture, because they are only permitted to use it by buying the patents, and they cannot export it since their patent rights are confined to the British Isles in the same way that the use in Canada is confined to this country.

Mr. DUNNING: I am not sure as to the use of the patent right. I know it is patented all over the world. There may be arrangements made whereby rights covering groups of countries may be issued. I am not aware of that; possibly my hon. friend knows.

Mr. BENNETT: No, I do not know.

Item agreed to.

Customs tariff—264a. Menthol, natural or synthetic: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—264b. Camphor, natural or synthetic, whether refined or not: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—276b. Cotton seed and crude cotton seed oil, when imported by manufacturers of cotton seed meal and refined cotton seed oil, for use exclusively in the manufacture of such commodities, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. CHAPLIN: What was the reason for putting in this item? It stands exactly as it did before.

Mr. DUNNING: My hon. friend is overlooking the importation under former item 71a at 5 per cent, 10 per cent and 10 per cent. The cotton seed and cotton seed meal are added to the old item, which brings cotton seed and cotton seed meal in free in future.

Mr. HARRIS: What do these words mean, "in the manufacture of such commodities"?

Mr. DUNNING: Cotton seed meal and refined cotton seed oil.

Mr. HARRIS: Could the minister give us some details as to the by-products of the manufacture of cotton seed meal and cotton seed oil, as to what effect this will have on those by-products?

[Mr. Dunning.]

Mr. DUNNING: I think I get my hon. friend's point. One of the plants, at the hearing before the tariff board, stated that its output was divided as follows: To dairying, stock raising and milling and cereal companies, 70 per cent of the total; to soap factories, packing plants and so on, 15 per cent; to mattress and paper companies, 6 per cent; to fertilizer companies, 5 per cent and there was a 4 per cent waste. That is the disposition of the by-products of one refinery.

Item agreed to.

Customs tariff—283. Drain tiles, not glazed: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. FRASER: What were the importations under that item?

Mr. DUNNING: They amounted to $1,452.

Mr. FRASER: Nothing from Great Britain?

Mr. DUNNING: No, all from the United States.

Item agreed to.

Customs tariff—287. Tableware of china, porcelain, white granite or iron-stone: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. BENNETT: Mr. Chairman, I desire to bring to the attention of the minister a matter to which I think the government will be well advised to give its most serious consideration. I had hoped the hon. member for Medicine Hat (Mr. Gershaw) would be in his place for the discussion of this item. With very great effort there has been established near that city an industry, an earthenware industry, employing at times 110 hands. It has assets to the value of something more than $500,000 and has sold $320,000 worth of 6½ per cent, twenty year bonds to investors throughout the province of Alberta. I fancy some of those bonds have been sold also in Saskatchewan and Manitoba. In other words, an effort has been made by the utilization of the resources of the country to establish a local industry.

That local industry has manufactured earthenware goods in very considerable quantities. Amongst other articles it has manufactured stone bottles in which Gurd's ginger beer is sold; and it has shown some signs of prosperity and at least has made progress. I need hardly say that with the limited local population the sales have not been very large; the entire sales of the concern last year did not reach $200,000. The little protection that it received enabled it not only to meet local requirements for jugs and earthenware of that kind, but to go further afield. I fancy

there may be members of this house who have seen the products of this factory at western exhibitions, because the newspapers and public men and others throughout the west have been urging people to buy goods manufactured in Saskatchewan, manufactured in Alberta and manufactured in Manitoba, and while that campaign has been carried on the products of this plant have been shown at many of the small fairs and exhibitions throughout western Canada. Of course, to exist at all they have to do something more than merely local business, so they have pushed their trade east to meet the requirements of companies who use stone bottles, jugs and other similar articles. That has enabled them to maintain their plant, shall I say, to fair capacity and to give employment fairly regularly to about 110 people.

The competition of Glasgow manufacturers of just such commodities as are produced at this plant has been overcome by a duty of 15 per cent, which has just enabled them to keep the Canadian market along the lines I have indicated as against the competition from Great Britain. Now they are thoroughly alarmed. The gentlemen who placed the venture before the public are convinced that the result of this change will be ruinous to them. As far as they are concerned, while their loss will be insignificant, the injury to the small investor who has put up $500 or $1,000 in these 6½ per cent, twenty-year bonds, will be very, very great.

The margin between success and failure is so small and the difficulties so enormous in the development of western industries that every help should be given to their development. Hon. gentlemen who remember the early days of commodities like Kitchener, will know of the struggle for existence which some industries had to experience before they reached a measure of strength which enabled them to compete with more powerful interests. In western Canada our struggles have been tremendous and the difficulties we have had to overcome have been very great. I have been in Calgary for thirty years, and I have seen the small manufacturing plants become important industries. Before this discussion ends, I intend to speak regarding another industry which employs 125 hands and which is placed in a very difficult position by one of the items in this tariff. The industry to which I am now referring is one which utilizes one of the natural resources of Canada—clay. They manufacture jugs, stone bottles and earthenware such as are mentioned here, and I still believe that it is better for 110 Canadians in Alberta to find employment in the manufacture of earthenware, than it is for 110 men in Great Britain to find employment in the same industry. Such a condition is better for the British Empire, it is better for the Dominion of Canada, and certainly it is better for the province of Alberta. I urge the hon. minister as strongly as I can not to do anything which would jeopardize the interests of this little industry. Capital has been invested by men and women, in some cases from real desire to help their country. Those of you who have passed by Medicine Hat on the train have seen this little industry which is located I think both on the right and left side of the railway tracks. I have no personal interest in this matter, and so far as I can ascertain no immediate friends of mine are connected with it, but those who have made investments in these 6½ per cent twenty year bonds desire to see these clay beds utilized in the making of jugs and other products. When I attended a made-in-Alberta exhibition not long ago, I was surprised to see what they had been able to manufacture. I viewed with pardonable pride such a development in the industrial life of the west. It is true that at the present time it is only on a small scale, but they have been able to come down to Montreal and obtain business with the small protection they have at present. That protection enables them to compete successfully with the manufacturers in Scotland and Great Britain, but that protection is to be taken away.

Mr. DUNNING: No.

Mr. BENNETT: I am only taking the item as it appears; the British preferential tariff is now free, as against the previous rate of 15 per cent.

Mr. DUNNING: My hon. friend is usually better informed, but perhaps he will permit me to explain.

Mr. BENNETT: I am reading the item as I see it.

Mr. DUNNING: I will deal with it when my hon. friend has finished.

Mr. BENNETT: I shall be delighted if the hon. gentleman can assure me that the fears of those interested are unfounded. They have indicated to me that the slight protection of 15 per cent has enabled them to carry on. I would like to be assured that their apprehension is groundless.

Mr. DUNNING: I am quite sure that that apprehension is without foundation with respect to the products of the organizations to which my hon. friend has referred. Item 286 of the custom tariff reads:

Earthenware and stoneware, viz.: demijohns. churns or crocks.

That item has not been interfered with, and it covers the products of the Medalta Potteries, to which my hon. friend has referred. Under that item the British preferential rate is 20 per cent.

Mr. BENNETT: That is not touched by these proposals?

Mr. DUNNING: That is not touched by the item under discussion. Item 288 reads:

Earthenware and stoneware, brown or coloured and Rockinghamware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware, n.o.p.

That item is not touched, and will still carry a British preferential rate of 20 per cent. The item we are dealing with covers tableware of china, porcelain, white granite or ironstone, and it is being made free under the British preferential tariff as against a former rate of 15 per cent.

Mr. BENNETT: And drain tiles?

Mr. DUNNING: Drain tiles are covered by another item.

Mr. BENNETT: The item just above that, 283?

Mr. DUNNING: My information is that tableware and china, porcelain, white granite or ironstone is not made by this concern. I am advised that they have hopes of evolving the technique and the raw material which will enable them to manufacture the rougher forms of chinaware, but at the present time their operations are confined to earthenware. At the present time there is a clear distinction in the tariff between earthenware and tableware of china, porcelain, white granite or ironstone.

Mr. BENNETT: Hollow tiles are made by this company.

Mr. DUNNING: Yes, but no difficulty is anticipated in that regard. There is one possible source of competition, the extent to which a British china teapot might be said to come into competition wtih an Alberta earthenware teapot, but my hon. friend knows as a family man that the two articles are not at all comparable. Anyone who wants a china teapot is not going to accept an earthenware one, and I do not believe there is any ground for apprehension by these people because they are not making the commodities with which this tariff item deals.

An hon. MEMBER: How about Teapot Dome?

[Mr. Dunning.]

Mr. BENNETT: Perhaps my hon. friend is better acquainted with Teapot Dome. Paragraph 4 of the statement I have received reads:

The devolopment of artware, such as hand-painted teapots, jugs, vases, etcetera, has been undertaken during last year to retail at low prices in competition with Czechoslovakian and Japanese imports. The reception of this line has been extraordinarily good, although we are not making money on it, yet the reception so far given makes profit probable in the near future.

We secured orders for stone ginger beer bottles in eastern Canada of approximately 350,000 in competition with English production.

Mr. DUNNING: None of these items is being affected by this amendment to the tariff.

Mr. BENNETT: As regards tableware, what they apprehended was this: they are now manufacturing some kind of tableware called by them "art ware." Their competitors were not only from Great Britain, but also from Czechoslovakia and Japan under the general tariff items. It will be observed that those items are now 27½ per cent for the intermediate, the same as before, and increased to 30 per cent under the general tariff. But the general tariff has not affected the main competition, because these are treaty countries as I mentioned to the hon. gentleman some time ago. I am bound to say, on my first looking at the item, I thought it meant tableware of china, porcelain, white granite or ironstone, but tableware is an enormously broad classification and they felt that this last effort of theirs, which has not yet been productive of profitable business, might be and would be—

Mr. DUNNING: If my hon. friend will pardon me just for a moment, art ware is specially dealt with, it seems to me, under the earthenware item which refers to cream-coloured ware, decorated, printed or sponged.

Mr. BENNETT: I heard the hon. gentleman read that.

Mr. DUNNING: The point is that it is all earthenware as distinct from china.

Mr. BENNETT: One of the real difficulties that men starting small enterprises have to contend with is in regard to the customs classifications. The hon. gentleman has made it abundantly clear that in his opinion the matters to which I refer would not be covered by these classifications. For instance, recently an arbitrary change of classification was, I am advised, made by a government department in regard to radio cases in order to

effect a certain purpose. In connection with this item generally, if the hon. gentleman will be good enough to pick up chinaware in almost any place, whether it be our hotel systems here or elsewhere or on the dining cars, and look at the bottoms of the cups, saucers, and plates, he will find, unfortunately, they are not made within the British Empire.

Mr. DUNNING: I am trying to correct that.

Mr. BENNETT: No; that is just what I am pointing out. The increased British preference makes free what was formerly at a rate of 15 per cent. Other countries had a duty of 27½ per cent to overcome in order to sell their goods in Canada, whereas the British had only a duty of 15 per cent to overcome. They had an advantage of 12½ per cent and still all that business has gone to other countries.

Mr. DUNNING: My hon. friend is not quite accurate in that statement. Our total imports last year amounted to $3,966,000, of which $2,368,000 came from the United Kingdom.

Mr. BENNETT: Quite so; but I am talking about chinaware.

Mr. DUNNING: This is chinaware.

Mr. BENNETT: For some reason I have never been able to understand why it is—perhaps the hon. gentleman can explain it—that when I enter the dining car of any train, whether it be the Canadian Pacific or the Canadian National, and look at the bottom of the cups, saucers and plates, as I have been in the habit of doing, I find they bear stamps showing that they are made in France and not in Great Britain. If the hon. gentleman when he goes down to the hotel to-night will do the same thing, he will find that what I have said is correct. I mention that because the British had a 12½ per cent advantage over their competitors and they were not able to get the business.

Mr. DUNNING: They have got most of it, more than anybody else.

Mr. BENNETT: But they have not this business about which I am talking. If they could not get it under those conditions, I do not think there is a sufficient incentive under this item to enable them to get it.

Mr. EULER: Fifteen per cent more.

Mr. BENNETT: The difference between them is 12½ per cent.

Mr. DUNNING: I will give the import figures, because they are interesting.

Mr. BENNETT: I looked them up some time ago, because in travelling through the country I have the same curiosity that I presume hon. gentlemen opposite have to find out where things are made, and I have been amazed to find the conditions that prevail. When I was in New York the other day I looked at the bottom of a cup I was using, in order to see where it was made and I found it was made in the United States. I just wondered why it is, if these articles are not made in Canada, that they could not be made within the British Empire. The assurance given me by the minister as to the construction to be placed on that item of the tariff will be very gratifying and I thank him for giving it. I first received a telegram, and on looking at the item from my own point of view, I did not think they needed to be so apprehensive. Then, when I received the letter from which I have just quoted, I found they were anxious that at least a statement should be placed on Hansard to which reference could be made, because the item had a rather unsettling effect upon some people who had put into the venture what little money they had. I am sure they will be deeply grateful for the assurance the minister gives that this item will not lessen the confidence they have in the ultimate development of that industry.

Mr. DUNNING: There is no change in the wording of the various items. They have been administered since 1906 in one case and 1910 in the other, so that the matter of distinction must be established. I think it would be interesting to the committee for me to place on Hansard, in view of the remarks of the leader of the opposition regarding railways and hotels using foreign crockery—

Mr. BENNETT: Not crockery; I was talking about tableware, chinaware.

Mr. DUNNING: When I use the term "crockery", I mean chinaware.

Mr. BENNETT: I understand "crockery" refers to kitchenware.

Mr. DUNNING: The importations in 1929 were as follows:

| Country | Value |
|---|---|
| United Kingdom | $2,368,000 |
| Germany | 437,000 |
| Japan | 365,000 |
| France | 345,000 |
| Czechoslovakia | 325,000 |
| United States | 91,000 |

On looking into this matter I was interested to find that United States importa-

tions were almost entirely heavy hotel cups, saucers and dishes; that they were apparently making an effort to get into the heavy hotelware. Probably Great Britain will get that business in future.

Mr. GEARY: Out of a total of about $4,000,000 worth of importations, the United States did $91,000 worth of business. The only other non-treaty country was Germany. In this item, the minister has done what the hon. member for Lincoln advised him to do in regard to another item: with a view to diverting trade from the United States and other non-treaty countries like Germany, to Great Britain, to increase not only the British preference but the duty under the general tariff. That seems to me a sensible way of bringing about the desired result. The minister, however, has done that in very few instances. I do not recall another case in the list where in order to divert trade from the United States to Great Britain he has increased the general tariff against the United States as well as increasing the British preference.

Mr. DUNNING: My hon. friend will find there are some.

Mr. CHAPLIN: There are very few.

Mr. GEARY: This is an example where the minister has done that in the case of an importation of $91,000 out of $4,000,000.

Mr. DUNNING: There is $437,000 from Germany.

Mr. GEARY: It was north and south business that my hon. friend was complaining about. I think the proposal has its merits in the way of diverting trade from the United States to Great Britain, but why not also increase the tariff against the United States?

Mr. RYCKMAN: What troubles me is where the heart of the minister really is. We have dealt with item after item under which the minister has frankly said that there is no business from the British Empire but that he hopes to encourage it. Even when there was a business of only $1,500 under one item, he hoped to develop a larger business with the British Empire. Yet he tells this house that he has had a communication from the Medalta Company, which was proposing or hoping to engage in a certain line of business in Canada. The minister gives this company no chance. He extends hope to the British manufacturer, but when a Canadian manufacturer asks for an opportunity to build up a business that might be of great advantage to Canada and a glory to the Canadian commercial world, the minister says: No, I am going to work the tariff the other way and give Great Britain the preference; the Canadian industry will have to tail on behind. I object to that.

Mr. DUNNING: That is not the case.

Mr. GEARY: Is tableware produced in this country at all?

Mr. DUNNING: Articles of the class coming under this item are not produced in Canada.

Mr. HARRIS: That applies also to porcelain tableware?

Mr. DUNNING: To the whole item under discussion, which includes tableware of china, porcelain, white granite or ironstone.

Mr. HARRIS: Of a kind not produced in Canada?

Mr. DUNNING: I say there are none produced in Canada.

Mr. KAISER: Have we not industries producing white granite tableware?

Mr. DUNNING: No.

Mr. KAISER: It depends on what you call tableware. Kitchenware is made in this country.

Mr. CHAPLIN: What was the rate of duty on the $91,000 worth of these goods that came in from the United States?

Mr. DUNNING: They came in under the general tariff at 27½ per cent.

Mr. CHAPLIN: And the present duty will be?

Mr. DUNNING: Thirty per cent.

Mr. CHAPLIN: The duty on that $91,000 at 27½ per cent amounted to $25,000. Why did you not increase the American duty a little bit more so as to make sure that trade would go to Great Britain?

Item agreed to.

Customs tariff—289. Baths, bathtubs, basins, closets, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. SPENCER: There is no alteration in the duties as far as I can see.

Mr. DUNNING: The explanation is simple. Bathtubs and so forth are dealt with under the iron and steel items which we shall come to later. However, it was necessary to provide an n.o.p. item to include the

earthenware variety, and in view of the fact that there had been no inquiry at all into the earthenware situation I did not propose to change the rate, but merely to include the item as it now stands, in order to differentiate it from the same article made with an iron or steel base.

Mr. SPENCER: Here are certain articles that are very badly needed, particularly in the homes on the prairies.

Mr. DUNNING: Made of earthenware?

Mr. SPENCER: No, bathtubs and so forth.

Mr. DUNNING: The articles under this item are made wholly of earthenware. Later on we shall come to the item my hon. friend really has in mind.

Mr. CHAPLIN: The importations are largely from the United Kingdom, are they not?

Mr. DUNNING: From the United Kingdom we received $416,000 and from the United States, $121,000.

Mr. CHAPLIN: And you leave both tariffs the same?

Mr. DUNNING: I am not changing the rates, for the reason I have given.

Mr. CHAPLIN: Why not raise the American tariff and throw more trade to Britain?

Mr. LUCAS: Are these goods produced in Canada?

Mr. DUNNING: Yes.

Item agreed to.

Customs tariff—293. Plaster of Paris, or gypsum, calcined, and prepared wall plaster, the weight of the packages to be included in the weight for duty, per one hundred pounds: British preferential tariff, free; intermediate tariff, 11 cents; general tariff, 12½ cents..

Mr. FRASER: What are the importations?

Mr. DUNNING: We imported $165,000 worth.

Mr. CHAPLIN: And all Britain sent was $65 out of that $165,000.

Mr. DUNNING: The article is made free from Great Britain, but the spread has been widened. Under the old tariff there was a spread of only 4½ cents between Great Britain and the United States, whereas the spread is now 12½ cents.

Mr. FRASER: I see another item dealing with plaster of paris, or gypsum, not calcined. What were the rates on that?

Mr. DUNNING: I could not say. I have information only with respect to the items that I am dealing with. My hon. friend has it before him.

Mr. FRASER: I have not the rates.

Mr. DUNNING: I will find them for my hon. friend.

Mr. FRASER: My point is this. According to the Trade of Canada for the calendar year 1929, there were substantial imports from Great Britain under the item which is not touched, and under the item which is touched and in respect to which the rate is reduced there are no imports from Great Britain. Why not reduce the item under which there are substantial imports from Great Britain?

Mr. DUNNING: I am, of course, going outside the range of what I have before me, and my hon. friend will forgive me if I have not complete information on the point he brings up. The item to which he refers is plaster of paris, or gypsum, not calcined, and it carries duties of 10, 12½ and 15 per cent. It is produced in Canada.

Item agreed to.

Customs tariff—296. Flint, ground flint stone; feldspar, fluorspar; mica schist; cliff, chalk, china or Cornwall stone, ground or unground, refuse stone, not sawn, hammered or chiselled not fit for flagstone, building stone or paving: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ROSS (Kingston): There are one or two articles under this item to which I think the minister should give particular consideration. I refer particularly to feldspar. There are only one or two places in the world where feldspar can be produced. One is in eastern Ontario, the other is in the United States; there may be a small quantity in Austria. The United States has a tariff against our ground feldspar, and yet we permit our unground feldspar in the ore to be taken over to the United States, ground there, and readmitted free to this country. This was all right until industries were started in Canada. There are now two factories in this country, one in Kingston and one in Toronto, and there is a proposal to build another at Brockville. I think the minister might well take care of these two factories by imposing countervailing duties on feldspar, as he has done on other commodities.

Mr. DUNNING: My hon. friend refers entirely to feldspar?

Mr. ROSS (Kingston): Entirely.

Mr. DUNNING: There are several other commodities included in the item.

Mr. ROSS (Kingston): I want to deal with feldspar. The United States admits our unground feldspar free. They take mighty good care, however, not to admit any of our ground feldspar. There is no reason why this cannot be taken care of under the countervailing duty. Give us the same protection as the United States enjoys and we will be quite satisfied. Feldspar enters into a great many industries, but the quantity involved is small, and I can assure the minister that if he will give us the protection required we will double the output of our factories.

Mr. DUNNING: As my hon. friend will notice, the first part of this item is entirely unchanged both as to wording and rates of duty. But it has become necessary to deal with magnesite, a recent production of some importance and some promise. I believe that I am correct in saying that the research council of Canada has had a great deal to do with developing this new material, magnesite, the manufacture of which promises to be of some importance. That is the only reason for touching the item. I am not familiar with the feldspar situation. It probably would be wise to look into it. But at any rate my hon. friend will see that no change is being made with respect to it. That is, the situation after the budget is precisely the same as the situation was before, so far as it relates to feldspar. Perhaps he would be willing on the matter, because ground feldspar enters into many industries, and, as we often find in practice, one man's finished product is another man's raw material. Therefore at the moment I cannot say what will be the effect of putting a duty on ground feldspar. I suggest to my hon. friend that if his case is as well founded, as I know he believes it is, it could be inquired into by the tariff board so that those who use this commodity would be able publicly to state what the effect would be of imposing a duty upon it.

Mr. ROSS (Kingston): I think the tariff board already has all the facts in relation to this matter. I might also refer to mica. How do the United States treat our mica? They admit free all our mica as it is taken out of the ground, but the minute we begin to treat it up goes their tariff. Consequently mica mining to-day in eastern Ontario is practically extinct. In the case of feldspar the tariff board has the facts, there is no great quantity involved, and I can assure the minister that if he does not take care of the industry it will meet the same fate as mica mining. We produce the best feldspar, only a small quantity enters into the manufacture of our enamelware, and it does seem most unfair that when we begin to grind our crude feldspar it is shut out from the United States, although their ground feldspar is admitted here free of duty to compete with our own product.



Mr. DUNNING: I am impressed somewhat by what my hon. friend says, and perhaps he would allow this item to stand in order that I may read through the records of the hearing to which he refers and see if there is sufficient material there, particularly from the point of view of those who use the article, to justify making some change in the tariff with respect to ground feldspar. I do not think we are really in a position to take action, but I should like to have an opportunity of looking into it further.

Mr. MANION: I have no objection to the item standing, but I notice that what in the last list was one item is now four; and everyone is free, as was the old item. That is one way, I suppose, of increasing the British preference, changing one item to four.

Mr. DUNNING: Oh, no. My hon. friend is not serious.

Mr. MANION: I am in earnest. It seems to be one method of increasing the British preference.

Mr. DUNNING: There are very many examples the other way.

Mr. MANION: And there are very many this way.

Mr. DUNNING: I referred to one a little while ago where four items have become one. The motive in this case was to deal with magnesite. We have basket items in the tariff, and we have to deal with them as the various items in the basket become important.

Mr. ROSS (Kingston): I have dealt with feldspar and mica. In this item is also included refuse stone. What is the idea of admitting it free?

Mr. DUNNING: It has always been free.

Mr. ROSS (Kingston): I know, but the minister will realize that thousands of dollars' worth of this come in. Perhaps the west may not have any refuse stone, but certainly we have enough of it here.

Mr. DUNNING: The item stands, Mr. Chairman.

Mr. CHAPLIN: I just want to complete the record in reference to feldspar. Of course, the minister can get this information anyway. As a matter of fact we shipped to the United

States in 1929, 28,000 tons of feldspar, valued at $227,000. After they had manufactured it we took from them, free of duty, 64,000 hundredweight valued at over $54,000.

Mr. DUNNING: What was the crude valued at?

Mr. CHAPLIN: We exported 28,000 tons valued at $227,000. They sent us back a part of it ground, to the value of $54,000. But, as the member for Kingston (Mr. Ross) says, they will not allow us to send them our manufactured product at all. It is a case of our sending out our raw material for nothing and taking—

Mr. DUNNING: I am quite sure we were paid for that raw material.

Mr. CHAPLIN: They will take the crude in free of duty; but they impose a duty on our ground feldspar although we admit theirs free of duty.

The CHAIRMAN: Item 296 stands.

Mr. DUNNING: The whole thing had better stand, Mr. Chairman, because any remodelling which might be arranged—I do not say it can be—would probably include the subitems as well as the main.

The CHAIRMAN: Items 296, 296(a), 296(b) and 296(c) stand.

Customs tariff—302. Lithographic stones, not engraved: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. ROSS (Kingston): Where is this imported from?

Mr. DUNNING: We imported $2,400 worth, all from the United States.

Mr. CHAPLIN: Do you expect to get some business from Great Britain?

Mr. DUNNING: Possibly, but not very much.

Mr. CHAPLIN: Why not make it sure by raising the tariff against the United States if you want to drive the business away?

Item agreed to.

Customs tariff—306. Marble, sawn or sand-rubbed, not polished; granite, sawn; paving blocks of stone; flagstone and building stone, other than marble or granite, sawn on not more than two sides: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 30 per cent.

Mr. DUNNING: There is an inconsistency created by this item which I wish to correct by item 306(a). At this time I move to add item 306(a), as follows:

Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides, per 100 pounds: British preferential tariff, free; intermediate tariff, 20 cents; general tariff, 22½ cents.

That is the complete item. The (a) part of it had been dropped.

Mr. MANION: What were the imports last year of building stones of various kinds, including marble?

Mr. DUNNING: The total imports under the item were valued at $428,000, of which $398,000 worth came from the United States.

Mr. MANION: Does that apply to both item 306 and item 306(a)?

Mr. DUNNING: Yes.

Mr. MANION: Has the minister a list to show the nature of the stones which we imported? It would seem to me that we ought to be able to supply our own demand when we have about 2,000,000 square miles with considerable stone in it.

Mr. DUNNING: A large quantity of building stone comes across the lake from the United States to the city of Toronto. It is very largely, I believe, Indiana limestone. Of course this item covers any kind of building stone.

Mr. KENNEDY: I suppose it covers tombstones, too.

Mr. DUNNING: No, it does not cover tombstones.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—311. Slate pencils and school writing slates: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. MANION: What were the imports under this item?

Mr. DUNNING: The imports were valued at $82,000, of which $79,000 came from the United States. That was a surprise to me, because I could see no reason why Great Britain should not have that business. They produce those articles in volume and quality. I think this change will turn the business towards Great Britain.

Mr. CHAPLIN: Did you raise the United States tariff?

Mr. DUNNING: My hon. friend is never satisfied unless the tariff has been raised.

Mr. CHAPLIN: No, that is not the fact. The minister has stated on a dozen occasions that he wants to transfer business from the

United States to Great Britain. The best way to do it is to raise the American tariff, and in a few cases he has done so. Here is a case where he could do it and thereby divert the business to Great Britain.

Mr. DUNNING: My hon. friend would no doubt increase the general tariff on school slates which stands at the present time at 25 per cent, but I am not prepared to do so.

Mr. CHAPLIN: You do not expect to get it from the old country.

Mr. DUNNING: Oh yes, I do.

Mr. CHAPLIN: It is free from the old country.

Mr. DUNNING: Yes.

Mr. CHAPLIN: Why not raise the United States tariff and make it sure?

Mr. ROSS (Kingston): I would like to ask the minister if pencils are not made in Canada.

Mr. DUNNING: Pencils?

Mr. ROSS (Kingston): Are not slate pencils and school writing slates produced in Canada?

Mr. DUNNING: There is no record of any production.

Mr. HARRIS: Is there any continental production of slates and slate pencils?

Mr. DUNNING: We apparently have not received any from the continent, but I presume they are produced there.

Mr. HARRIS: There are no importations to Canada from the continent?

Mr. DUNNING: If so, the importations must be very small. Of a total importation valued at $82,000, $79,000 worth came from the United States.

Item agreed to.

Customs tariff—313. Plumbago, not ground or otherwise manufactured: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—315a. Carbon electrodes exceeding 35 inches in circumference or outside measurement: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Mr. DUNNING: The imports under this item were valued at $73,000, and came from the United States. These articles should come from Great Britain.

Item agreed to.

[Mr. Chaplin.]

Customs tariff—345. Zinc dust and sheets; zinc plates for marine boilers; sal ammoniac skimmings and seamless drawn tubing of zinc: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: The word "strip" has been omitted, and it should be inserted after the words "zinc dust," to read "zinc dust, strip and sheets."

Mr. MANION: What were the imports under this item?

Mr. DUNNING: The value of the imports of zinc dust was $36,000, of which $35,000 worth came from the United States. Zinc in sheets and plates was valued at $731,000, of which $365,000 worth came from the United States and $360,000 worth came from Belgium.

Mr. CHAPLIN: Practically nothing came from Great Britain.

Mr. DUNNING: No, nothing from the United Kingdom.

Mr. MANION: Do we produce these items in Canada?

Mr. DUNNING: Yes, but not all of them. We do not produce strip or sheets.

Mr. RYCKMAN: What is the change in duty? It seems to me there is no change at all.

Mr. DUNNING: The change is in including zinc plates for marine boilers. The next item will explain it.

Item as amended agreed to.

Customs tariff—345a. Zinc spelter and zinc in blocks, pigs, bars or rods; zinc plates, n.o.p., per pound: British preferential tariff, ¾ cent; intermediate tariff, 1 cent; general tariff, 1 cent.

Item agreed to.

Customs tariff—350. Wire of all metals and kinds, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. DUNNING: There is no change in this item. Iron and steel wire are separately dealt with, and this is to deal with wire that is left.

Item agreed to.

Customs tariff—351. Wire, single or several, covered with any material, including cable so covered, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DUNNING: The same explanation applies to this item.

Mr. MANION: There are four items in regard to wire. Can the minister give us the information as to those items?

Mr. DUNNING: I have the information in my iron and steel book, and I shall be pleased to give the information when we reach the iron and steel wires. These are n.o.p. items.

Item agreed to.

Customs tariff—351a. Wire, twisted, braided or stranded, including wire rope and wire cable, coated or not, n.o.p.: British preferential tariff, 17½ per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—351b. Wire cloth, or woven wire of brass or copper: British preferential tariff, 17½ per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. MANION: That refers to copper wire.

Mr. DUNNING: It refers to wire made of brass or copper.

Mr. CHAPLIN: There is no change in it?

Mr. DUNNING: No.

Item agreed to.

Customs tariff—352b. Screws of brass, copper or other metal, n.o.p.:

(a) Wood screws: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

(b) Machine and other screws, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—354a. Nickel and aluminum kitchen or household hollowware, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DUNNING: The same explanation applies in this case.

Item agreed to.

Customs tariff—365. Composition metal and plated metal, in bars, ingots or cores, for the manufacture of watch cases, jewellery, filled gold and silver seamless wire and for dental purposes: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—366. Watch actions and movements, and parts thereof, finished or unfinished, including winding bars and sleeves: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—373. Scrap of iron or steel:

(a) Wrought, being waste or refuse, to be remelted in furnaces or cupolas: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Cast, being waste or refuse, to be resmelted in furnaces or cupolas: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(c) Railway rails, which have been in actual use, to be remelted in furnaces or to be remanufactured in rolling mills into other products than iron or steel rails: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Provided that articles of iron or steel, damaged in transit, if broken up under customs supervision, and rendered unsaleable except as scrap, may be entered for duty as scrap.

Mr. MANION: As we are beginning the items dealing with iron and steel I would suggest that we call it six o'clock.

Mr. DUNNING: We have the item of scrap to begin with, and every minute is valuable; I do not like to waste any time.

Mr. WHITE (London): There are several items under this heading; shall we deal with the first one only?

Mr. MANION: What are the imports of scrap iron?

Mr. DUNNING: There is one item which is free at the present time. In connection with it there are imports valued at $1,405,000 of which $1,392,000 worth came from the United States. The imports under the two dutiable items which are being made free are for the old item No. 374, $61,000, and for the old item 375, $104,000. In 1929 Canada exported scrap to a value of $1,120,000, of which $911,000 went to the United States.

Mr. MANION: What is the United States duty on scrap?

Mr. DUNNING: I will have to look that up.

Mr. MANION: Would the minister just make a memo of that and tell us after eight o'clock if there is any duty in the United States?

Mr. SIMPSON: The major free item was rails, was it not, used rails?

Mr. DUNNING: Item 775, covers iron and steel scrap, including rails. That was free before, and that is the big scrap item. I will have to look up the other information, and if it is desired to discuss the item further we can proceed at eight o'clock.

At six o'clock the committee took recess.

## After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock we were considering item 373, scrap of iron or steel.

Mr. WHITE (London): I understand that section (a) was carried, but I wonder if the minister could give us any information as to the exports of scrap under these three headings.

Mr. DUNNING: I am unable to separate the items, but the total exports under the three items were valued at $1,120,000, of which $911,000 worth went to the United States.

Mr. WHITE (London): I was unable to separate the items so far as exports were concerned, but the imports are clearly shown. I have no criticism to offer so far as item (a) is concerned, although I think the records will show that we cannot expect very much change in our trade. During the last five years we imported wrought scrap to the extent of 40,000 tons, and we exported 378,000 tons. In no year do the exports fall below the total imports of this particular item. Item (b), being cast scrap, is a product which competes directly with pig iron. In 1929 we imported 9,900 tons to the value of $104,000, and it strikes me that if the minister is going to benefit the primary producers of this country he would do well to consider whether this commodity should not bear a duty. Item (c) covers railways rails, which have been in actual use, to be remelted in furnaces or to be remanufactured in rolling mills into other products than iron or steel rails. The minister is raising the duty on steel billets by $2 per ton, but he is allowing this item to remain on the free list. There is one mill in Canada which make a specialty of the use of these scrap rails, and they would have an advantage of $2 per ton as compared with mills which are forced to import billets. This item also would compete with pig iron in the production of steel. If it is the idea of the government to assist the primary industry, then these railway rails should bear a duty. Perhaps that duty should not be as high as the one imposed on steel billets, because there is some waste in the working of them, but the rate should be as high as that imposed on pig iron. I would like to know from the hon. minister if he is not disposed to consider this matter.

Mr. DUNNING: Looking at the matter from the point of view of the whole of Canada, it was thought desirable to allow this material to continue to come in free. In some parts of Canada the people who engage in this business have to rely upon scrap as a raw material, and the evidence given before the tariff board revealed the fact that the industry generally has no complaint to make about the item as it now stands.

Mr. WHITE (London): During 1929 we imported 127,000 tons of this material. The minister raises the duty on billets by $2 per ton, and allows this item to remain on the free list. The change will not help the primary producer, but will give one mill in Canada an advantage over the others.

Mr. CANTLEY: These steel rails are rolled down into smaller sections used largely for reinforcing material in concrete construction, and the result is a product which is very inferior. As the hon. member for London has pointed out, it comes into direct competition with billets and blooms, with the result that there is comparatively no protection in regard to the production of the classes of material to which I have referred.

Let us take the item of pig iron. The duty is $1.50 per ton, whereas the duty on ingots of iron and steel is the same, namely, $1.50 per ton. The fundamental principle in preparing a tariff of this character, if it is intended to be protective to the industry concerned, is that the amount of protection or duty should bear some relation, usually a direct one, to the amount of labour involved in conversion. It costs practically $4 a ton to convert pig iron into steel. Therefore steel ingots, blooms, slabs and billets should be subject to a higher rate of duty than the pig iron from which they are produced. That should have been done but is not in this case.

Let us take the item of alloy steels, on which the duty is brought down to 5 per cent. In my judgment, the greatest development in the iron and steel industry of this or any other country in the near future will be in the matter of alloy steels. An attempt has been made in various places throughout this tariff to deal with the question of these ferro-alloys, but the protection given on the item to which I have referred is certainly not conducive to the future production of steel of that class, the production of which is very important from many points of view.

Again item 377c reads:

Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, of a class or kind not made in Canada, when imported by manufacturers of forgings for use exclusively in the manufacture of forgings, in their own factories.

I am not just sure what the minister has in mind in regard to that item, and I should be glad if he would be good enough to advise me.

Mr. DUNNING: My hon. friend had better wait until we reach the item. I do not want to confuse the discussion.

Mr. WHITE (London): I presume the minister would rather deal with paragraph (b) first and get rid of it. In that case the former general tariff was $2.50 per ton. The new rate is free. Will the minister consider putting some duty on that, in view of the fact that it competes with pig iron?

Mr. DUNNING: I will look up the figures as to imports.

Mr. WHITE (London): The imports amounted to 9,900 tons in 1929.

Mr. DUNNING: This whole matter was considered at a number of hearings before the Tariff Advisory Board. Representations of the entire industry were heard, and with the varied conditions prevailing throughout the country—the value of the scrap imported last year was $104,000—I am convinced that the industry as a whole is satisfied with the placing of all these scrap items on the free list as raw material, particularly as they relate to the industry in some parts of the country where it is found difficult to secure the ordinary form of raw materials used elsewhere in Canada. In a matter of this kind we have to consider the industry from coast to coast, and I am sure the item meets generally with the approval of the industry.

Mr. CANTLEY: How can it be necessary to put this material on the free list, in view of the fact that a very large tonnage is exported? I am referring now to the item.

Scrap of iron or steel:
(a) Wrought, being waste or refuse, to be remelted in furnaces or cupolas.
(b) Cast, being waste or refuse, to be resmelted in furnaces or cupolas.

May I point out that that is a misstatement. You cannot resmelt anything.

Mr. DUNNING: That should be "remelted." It is a mistake in the printing which is being corrected.

Mr. CANTLEY: It is not corrected in the copy that I have.

Mr. DUNNING: The resolutions in the hands of the Chairman are corrected so far as typographical errors are concerned. I am glad my hon. friend drew attention to it.



Mr. WHITE (London): In regard to paragraph (c), a few minutes ago I quoted the figures of the imports for the year ending March, 1929, namely, 127,000 tons. They came in at the rate of $11 a ton. The minister says that he has considered the matter from the standpoint of the whole of Canada. A few days ago he reconsidered his decisions in connection with other items, and it seems to me this should not be sealed up tight; it should be susceptible to reasoning. Here is material at a value of $11 a ton entering into competition with steel billets, which are listed to-day in Pittsburgh at $33 a ton with a duty of $4.50 a ton besides. Not many mills in Canada have to buy billets, but those that do will have to compete with the free entry of this old rail. It is neither just nor fair.

Mr. CANTLEY: The item is just as unfair to mills that produce their own slabs, blooms and billets as it is to the smaller mills that have to buy the material in the open market. It simply means that the labour and material involved in the manufacture of these receive no adequate protection. The item is faulty from the point of view of the basic construction of the whole iron and steel schedule. Of that there can be no possible doubt.

Item agreed to.

Customs tariff—374. Pig iron, n.o.p., per ton: British preferential tariff, $1.50; intermediate tariff, $2.50; general tariff, $2.50.

Item agreed to.

Customs tariff—375. Ferro-alloys:
(a) Spiegeleisen, being an alloy of iron and manganese, containing not less than 15 per centum and not more than 30 per centum, by weight, of manganese: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—375(b). Ferro-manganese and silico-manganese, being alloys of iron and manganese containing more than 30 per centum, by weight, of manganese: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—375(c). Ferro-silicon, being an alloy of iron and silicon, containing not less than 10 per centum and not more than 15 per centum, by weight, of silicon: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

Item agreed to.

Customs tariff—375(d). Ferro-silicon, being an alloy of iron and silicon, containing more than 15 per centum, by weight, of silicon: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. WHITE (London): The duty under the general tariff has been changed from $4.50 to 10 per cent. At to-day's quoted prices, that will raise the price of ferro-silicon, provided that the duty is taken advantage of, by $1 per ton. Here is another case where the manufacturer of billets is at a disadvantage so far as his material is concerned.

Mr. DUNNING: My advice is that the values of this material under paragraph (d) range from $25 to $100 a ton, and that the only fair way to levy a duty on a product varying so widely in price is to impose it on an ad valorem basis.

Mr. WHITE (London): It is worth about $56 a ton to-day, and runs about that figure regularly.

Item agreed to.

Customs tariff—375(e). Ferro-phosphorous, being an alloy of iron and phosphorous, containing more than 15 per centum, by weight, of phosphorous: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Mr. CHAPLIN: There are no importations?

Mr. DUNNING: The imports cannot be separately traced.

Item agreed to.

Customs tariff—375(f). Ferro-alloys, crude, for remelting, n.o.p.: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Item agreed to.

Customs tariff—376. Sponge iron: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—377. Ingots, of iron or steel, n.o.p., per ton: British preferential tariff, $1.50; intermediate tariff, $2.50; general tariff, $3.

Mr. CANTLEY: I want to protest against the position in which this is left. There is no change from the old tariff.

Mr. DUNNING: Yes. The general tariff is 50 cents a ton higher.

Mr. CANTLEY: It is the same under the British preference.

[Mr. Cantley.]

Mr. DUNNING: My hon. friend is worried about the British preferential rate.

Mr. CANTLEY: It means that it will come in from Great Britain.

Item agreed to.

Customs tariff—377a. Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton: British preferential tariff, $2.50; intermediate tariff, $4; general tariff, $4.50.

Mr. WOODSWORTH: There are some matters connected with the very decided increase in the duty under this item, as well as under other items, to which I should like to call attention. It has been constantly urged that the protection of these industries would mean the protection of the workmen engaged in them, but there is nothing whatever to show that such is the case. Generally speaking, a great many of the industries that are the most highly protected pay the poorest wages. Industries in Canada which for years have been receiving from this government the advantage of special privileges are yet paying their workmen very poor wages indeed. In some connections other than that of the tariffs we have adopted the principle that the granting of concessions and special privileges, shall be dependent upon the maintenance of certain standards by the companies receiving the benefit of them. During the last few years, in awarding contracts—even in the granting of the charters—for the building of bridges, for example, we have insisted upon the inclusion of certain fair wage clauses. The proposal I should like to make is, that we ought not to grant any increase in the tariff until there is an understanding with the companies that they shall treat their employees fairly. We should insist on fair treatment for the men as to hours of employment, wages, and general conditions of labour, and that should be a condition precedent to the granting of any favours. Surely that is a fair proposal. It cannot be claimed to be very radical in its nature, although I would not hesitate to make it if it were. I am following a precedent that was recently set in the Ontario legislature. On February 12 last an application was made for an increase in the bounty on iron ore mined and smelted in Ontario. Though the application was granted, a protest was made in the legislature by a Liberal member, Mr. S. C. Tweed, president of the Ontario Equitable Life and Accident Insurance Company, who called attention to the fact that at the Algoma Steel works, at the Soo conditions of labour almost approaching slavery existed. He

claimed that shifts of workingmen varied from eight to twelve hours for seven days in the week. Mr. Tweed's efforts were highly applauded by some of the leading papers in Ontario. I notice that the London Advertiser said:

The people of Ontario do not want an industry built on inordinate hours of labour. It would be too dear at such a price. Mr. Tweed performed a public service in directing attention to the conditions at the Soo, and any further grant of public money should be contingent upon safeguards for the workers. The assertion of the vice-president of the Algoma Steel Corporation that a change to the three-shift six-day system is being planned would be welcomed, and he will be held to his promise.

I would commend the statement in that editorial Let me repeat one phrase:

Any further grant of public money should be contingent upon safeguards for the workers.

I should like to apply this principle to the matter before us, and insist that any further tariff concessions be made contingent upon safeguards for the workers. Commenting upon the Algoma situation, the Toronto Mail and Empire said:

These advances will cost the company an additional wage distribution of about $300,000 a year, but we believe that the change will be as profitable for the company in the long run as it should be beneficial to the employees so affected from the start. It is in harmony with the progressive spirit of the age.

It is difficult for the Algoma Steel Corporation at Sault Ste. Marie to bring about decent conditions of labour when its competitor at Sydney, the British Empire Steel Corporation, permits abominable conditions to exist. The minister speaks of implementing the report of the Duncan commission by granting extra aid to the steel industry. Let me say that there have been other commissions whose recommendations have not been implemented. I should like to refer to the commission appointed under order in council P.C. 1929, dated September 22, 1923, to inquire into conditions among the steel workers at Sydney, Nova Scotia. The report states:

To sum up: The fundamental causes of the recurring industrial unrest among the steel workers may be stated as follows:

(1) The rate of wages.
(2) The long hours of labour.
(3) Refusal by the company to recognize the union.
(4) Denial of collective bargaining.
(5) Belief that there was discrimination against members of the union.
(6) The absence of any recognized organized means, through which representatives of the men could confer with representatives of the management.
(7) Irregular employment and the fear of unemployment.
(8) The high cost of living.
(9) Agitation stirring up hostile class feeling by speakers and writers who denounced those in positions of authority, including the judiciary; called capitalists and employers by such names as "slave drivers," "labour exploiters," "common enemy," etc.; and urged workmen to seek redress for their grievances by hostile and violent action.

Labour agitators are condemned. But if after seven years there is very little or no improvement in conditions, can you very much wonder that some of the workers should lose faith in parliamentary action and begin to agitate for more direct measures? May I quote from the report where the hours of labour are being dealt with:

A great deal of testimony was received to the effect that the men considered the hours of labour too long. In the department's in which the continuous process practice obtains, such as the blast furnaces, open hearth furnaces and coke ovens, the work is carried on on the two-shift plan. That requires the day-shift men to work eleven hours and the night-shift men thirteen hours. Once a fortnight when the men change shifts they work for a twenty-four hour change-over period.

A good deal of the work in connection with the continuous processes in the steel industry is quite intermittent in character. But when anything goes wrong the case is different and the twelve-hour day becomes a physical strain. The twelve-hour day with the seven-day week and the twenty-four hour change-over once a fortnight make a very exhausting combination.

A twelve-hour day followed steadily by any group of men for a considerable number of years means a decrease of their efficiency and a reduction of their vigour. The question of hours of labour has to be considered from a social as well as a physical point of view. A twelve-hour day in the plant means about thirteen hours away from his home and family for all the working days. That leaves little if any time for family life, recreation, social enjoyments and leisure.

Mr. BENNETT: Are the hours of labour still twelve?

Mr. WOODSWORTH: Yes.

Mr. BENNETT: At the present time?

Mr. WOODSWORTH: Yes. I will give the evidence as to that in a moment. Let me quote further from the report:

We recommend that, in the interests alike of the company and the workmen, early and earnest attention be given to the elimination of the twenty-four hour change-over period and to the abolition of the seven-day week.

One more quotation, and I give this in a little greater detail because I do not think, as is indicated by the question of the hon. leader of the opposition and as has been expressed to me by various members of the house, that many of the citizens of this country

are apprised of the real conditions that exist. This is the quotation:

The commissioners are of the opinion that the hours of labour have been excessively long in some departments of the plant under the two-shift system of operation.

The commissioners recommend that in the interests alike of the company and the workmen, early and earnest attention be given to the elimination of the twenty-four hour change-over period and to the abolition of the seven-day week.

The commissioners recommend that the question of adopting the three-shift plan (eight hours per shift) in the departments of continuous processes and a maximum of a ten-hour day for other workmen be given the most careful consideration. In our opinion the change would be advantageous to the company and beneficial to the men, and should be adopted.

The commissioners are of the opinion that the iron and steel industry of Sydney can be carried on successfully and amicably in such a way as to meet the reasonable desires and requirements of the workmen and the company.

Since the steel industry is one which has been characterized by intermittent periods of prosperity and depression, the commissioners recommend that in the interests alike of the shareholders and the employees the company should discuss with representatives of the employees the question of drawing to some extent upon the surplus accumulated during fat years to tide the workmen as well as the shareholders over lean years when changes in rates of wages are in contemplation and when the prospect of regular employment is not good.

As an alternative, the commissioners recommend that in the public interest some competent authority be directed to investigate and report upon the use which is made of such surplus funds of the company.

Now, that report of the royal commission was made on September 22, 1923. So far as I know not one of those recommendations has been carried out. The men are still working the long hours; they are still working for pitiably low wages; they are still working under intolerable conditions. The history of the Besco Company is fairly well known. It has been a series of financial blunders. Notwithstanding all that, this company, together with the other steel companies in Canada, are asking for "additional protection," as they call it.

Now, the leader of the opposition asked if these conditions still prevail. Last year, I called attention to the facts in this case. A committee of the Sydney ministerial association published a report on what they termed the "intolerable conditions" prevailing in the steel plant. They say:

For the continuous operations, consisting of the coke ovens, blast furnaces and open hearth departments, involving approximately 1,000 men, the day term is eleven hours and the night thirteen throughout a seven-day week. That is, the men in these departments work an average of eighty-four hours every week—sixty-six during the week on day duty and one hundred and two for the week on night duty.

Mr. BENNETT: How does that compare with other steel plants in Canada? I ask for information.

Mr. WOODSWORTH: The steel plant at Algoma is also working on the same basis as was shown by Mr. Tweed in the provincial legislature. I understand that the plants at Hamilton have adopted the eight hour day. I proceed with one other quotation from this report of the ministerial association.

Mr. DUNNING: My hon. friend did not give us the date of that report.

Mr. WOODSWORTH: It was just about a year ago. Confirmation of the facts contained in this report has been given recently before a social service organization in the city of Toronto by Rev. Doctor C. W. Gordon, who has been investigating conditions at Sydney. My colleague says that this report is nearly two years old. Now let me give this quotation:

We believe that the plight—

And this is the plea that the ministers of Sydney make:

—it can scarcely be called other—of the some 1,000 men in the continuous operations is a scandal and a shame. To be on light duty, under the most favourable working conditions, from eleven to thirteen hours were trying enough, but when we know the necessarily almost intolerable conditions in which these men have to work, heavy manual labour in gas, smoke, heat, and in some cases, exposure to the elements summer and winter, the situation is nothing less than appalling, and their treatment utterly abhorrent to the dictates of humanity.

The only argument advanced by the management is the financial one. "We are not in a position to give a general increase in wages nor the eight-hour day."

This is what the ministerial association of Sydney recommend, and I believe they made similar recommendations before the tariff board:

We recommend:

(1) That this ministerial association of Sydney wait upon the responsible heads of the D.I.S. Co. at the earliest opportunity and urge the just claims of the men for a shorter working day.

(2) That representatives be sent immediately to the federal Department of Labour and to the Prime Minister of Canada urging that if and when the steel companies of Canada are allowed a protective tariff that provision be made for the men receiving the standard hours of labour adopted by the parliament of Canada, namely, the eight-hour day.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: I am glad indeed that there is an expression of approval of that statement of the ministerial association of Sydney. I think there are a good many members on the Conservative side, where they are urging protection, who would like to see some protection for the working men.

Some hon. MEMBERS: Hear, hear.

Mr. WOODSWORTH: I would appeal to the government, which has some responsibility in the matter, that it do not let this opportunity pass without insisting at this juncture, when there is power in its hands, that no further tariff protection will be given until these standards are lived up to. I may say that the management apparently have no intention of improving the working conditions, even if they receive added tariff protection. Not very long ago I had a statement from some of the men there, and they pointed out that when they had approached Mr. Kelley with regard to this matter he had told them that although there was talk about the tariff, even if they received additional help it would be but a drop in the bucket. He referred as well to the bonus on coal used for the making of steel and this also he said had not materialized. The company were not in a position to give a general wage increase and had no intention whatever of doing so. If my correspondent rightly reports what has been said by his local manager it seems to me that we have a right at the present time to see that some pressure is brought to bear upon the company in this respect. As is shown by their statement, the company have been doing reasonably well; they have laid aside certain reserves. To go back to the statement of ministerial association, if it has been possible for them through good financing to lay aside certain reserves they ought to find it possible to make some provision for the men concerned. In the report two years ago of the ministerial association, the statement is made that $2,000,000 had been retained for depreciation, or $1,000,000 per year, the balance presumably being available for interest charges on bonds and so on—

> —while not a cent of this amount has been allowed for the better condition of the human element in the industry. It does cost money, doubtless a great deal, to replace the machinery of steel making. Unfortunately, it costs the industry little or nothing to replace men; there is nearly always a surplus of labour.

An hon. MEMBER: That is what they like.

Mr. WOODSWORTH: There is the condition which we face. Of course from the standpoint of the employer it is a good thing to have a surplus of labour, but surely we have reached the stage of civilization when a group of men such as hon. gentlemen here assembled in parliament, representing the people of Canada, ought to be in a position to insist upon our working men being enabled to live up to higher standards. The treaty of Versailles insisted upon the eight hour day, but we are told again and again by the government that under our constitution it is impossible to enforce the eight hour day in the provinces. Yet here is an opportunity for this government to insist upon it, and there is no reason why they should not do so. If they would stipulate that the increase in the tariff should be contingent upon a provision on the part of the industries concerned for the eight hour day, changes would be made in a very short time. A few years ago we were told we could not get the eight hour day in Canada because it did not prevail in the United States, and that therefore our people could not compete with the people in the United States. In at least the larger steel plants of the United States they have adopted the eight hour shift, yet we have not had such a move in the larger steel plants of Canada.

As I thought of this question I recalled an editorial which appeared in the Ottawa Journal of May 3, 1929, under the heading: Too Much of Paternalism. It was criticising the report of the industrial and international relations committee of this house; the particular report referred to endorsed the principle of unemployment insurance. The editorial is as follows:

> It is perhaps fortunate for the country that neither this committee nor parliament possesses authority to give effect to the principle that is so lightly endorsed.

Further on it states:

> It is to be hoped that parliament and the government find a resting place for these recommendations in the most convenient wastebasket. And the reason is clear. It is that if Canada keeps heeding all the reports that are made by committees, and goes on doing all the things that a lot of well-intentioned but misinformed people want her to do, then this country will become so burdened with paternalism and bureaucracy that the taxpayer will be crushed into the earth.

After conceding that some sort of unemployment insurance may be necessary in Great Britain, the editorial goes on to say:

> But in Canada,sparsely settled, lacking in population, and passing through an era of tremendous development, the proposition that it is necessary to insure our people against unemployment is absurd.

The editorial concludes by deploring that we are "getting away from the old wholesome practice of individual effort." If the principles laid down by the Journal were applied to tariff privileges I wonder just what we would be doing. The steel companies and the protected industries in this country have been enjoying "paternalism" since confederation. We have been warned against the dole, but the industries have been receiving the dole with a vengeance, and in their case it has not been a small dole. If we are to insist upon individual effort on the part of workmen, why should we not insist upon the old wholesome practice of individual effort on the part of steel corporations? Why can these industries not stand on their own feet? The workers are expected to stand on their own feet, to work a twelve hour day and receive as wages mere miserable pittances. Some of the men working for these companies are receiving no more than 33 cents an hour. Yet the steel plants are permitting these very unwholesome conditions to continue. Of course it would be "paternalism" if we gave unemployment insurance; it would be "paternalism" if we prevented the men from working seven days in the week and from working eleven and thirteen hour shifts.

There is an opportunity for this government to do the just thing by a large body of workers. Within two months the elections will be at hand, and from the Atlantic to the Pacific the Liberals and Conservatives will be appealing to the factory workers to support them. The Liberals will take the ground that in some way or another this budget is protecting their interests. The Conservatives will say that if they are elected they will make it their business to protect the workman. Here is the chance for both parties. If the Conservatives are in earnest and insist upon it, I think they can force the government to give the workers the conditions they deserve. On the other hand, if the government is in earnest in its profession of a real desire to put the eight hour day in operation, and has been barred from doing so only by constitutional difficulties, this affords it an admirable opportunity for action. There are a certain number of hon. members on both sides of the house who wish well to their fellow men and it is for them to insist that this intolerable condition no longer obtains.

Mr. POULIOT: Mr. Chairman, I wish to congratulate my hon. friend from Winnipeg North Centre (Mr. Woodsworth) upon his very eloquent address. It is always a pleasure to me to listen to him and to-night he has ably championed the case of the working men in the steel industry. This government, by the enactment of Bill No. 49, has shown its good will towards the workers. This bill has to do with the eight hour day and fair wages in government contracts or in work performed for the Dominion government. During this session I had the opportunity to point out that the provinces have full jurisdiction with regard to the eight hour day and fair wages, and I wonder that the provinces have not followed the example of British Columbia, which has adopted minimum wage laws for men and women.

Mr. BENNETT: So has Alberta.

Mr. POULIOT: If my hon. friend will permit, there is only one wage law in the province of Alberta respecting minimum wages. That relates to women, and it contains a provision also to the effect that the wages of men shall not be lower than the wages of women, but that does not mean much, as my hon. friend knows. The hon. gentleman is a most distinguished lawyer and is very well acquainted with the fact that in his own province there is no distinct law relating to minimum wages for men and it is exactly the same in Ontario. So I believe I am fair in saying that there is only one minimum wage law for men, and that is in British Columbia. In the other provinces what has been done for the men does not amount to so much, because if the men who work in the steel plants are not paid more than young girls who work in laundries, I do not believe it is fair. At all events, except on Dominion government contracts, the wages to be paid and hours to be worked is a matter for the provincial governments to deal with. Some of the governments have already taken steps with regard to the hours of labour and the wages paid on their own provincial works, but that is not sufficient. The federal government, outside of works under its own control, has no jurisdiction to enact legislation in respect to fair wages or the eight hour day or the forty-four hour week; so I do not understand why the provinces do not take steps to give the working men a chance, by passing laws to the effect that working men should not work more than forty-four hours a week and should receive a decent salary. I believe, Mr. Chairman, that this would be fair; and when I speak of the matter in this house it is because what is said here is recorded in Hansard and is read throughout the country. It is a matter of momentous importance to thousands upon thousands of people. I do not understand how a mother could bring up and look after a family on a wage of $2 or

$2.50 a day, which she receives from her husband every two weeks. The industries which make a fair profit should share that profit with their co-workers, and we have examples of that being done. We have the example of Mr. Ford, who pays very high wages and who is one of the richest men in the United States. He is not stingy in dealing with his working men; he considers them rather as partners, and experience has shown that he has not suffered from that policy—far from it.

In summing up, I do not see how the federal government could try to hold up these concerns; if they did so the companies would say that they had no chance to pay fair wages. But I believe the provincial governments which are interested in the matter should make a study of the situation and be bold enough to take a step which will be a benefit to all concerned. Merchants, doctors and every one will benefit if the working men are paid better wages; they will have more money to spend; they will live more comfortably, and the governments will then have less to spend in the way of relief and for public health. I believe this matter is entirely under the jurisdiction of the provincial governments, and they should look after it at the earliest possible opportunity.

Mr. MACDOUGALL: Mr. Chairman, I wish very strongly and emphatically to associate myself with the hon. member for Winnipeg North Centre in the very excellent case which he has made for some consideration on the part of this government for the steel workers in Sydney. It is true that the budget offers something to the British Empire Steel Corporation. I am not here to hold any brief for that corporation; I should like to see it get fair play, but I am particularly anxious that it should give fair play to those people out of whose sweat and blood the corporation's profits are made. No member of this house, if he is fair, whether he is a Liberal a Conservative, a Progressive or a Labour man, can argue that the British Empire Steel Corporation is doing what is right and fair when it compels its men to work thirteen hours a day, as they are doing in some cases, and ten hours a day as they are doing in all cases. A great many of these men do not even get one day off a week; they are compelled to work on Sunday as well.

In this budget the government has offered certain financial concessions, both by bonus and by direct protection, to the British Empire Steel Corporation. For my part I consider that the British Empire Steel Corporation is well able to take care of itself, but the men who are employed by that corporation are not able to take care of themselves, as has been shown by the unfortunate experiences these men have had in the years during which they have been employees of that corporation. Before these items pass and before these concessions are given to the British Empire Steel Corporation I believe all parties in this house, irrespective of political affiliations, should join together and say that for once in this country we are going to place human values ahead of any other values that may be considered later. For my part I would not want one single concession made to the British Empire Steel Corporation by this government unless the government first bargained with them to give their employees a fair deal in the matter of wages and working hours.

When those of us who are interested in a shorter working day and better wages for labour in this country speak in parliament, we are immediately confronted with the British North America Act. Hon. gentlemen say, "Oh, the constitution will not allow us to do this." Here is a case where a corporation is looking for your money, for the money of the taxpayers of Canada and for the money of the steel workers of Sydney. Before that money is turned over to them this government has a golden opportunity to get away from the constitutional objection and say to that corporation—which I suppose, like other corporations, will do almost anything for money—"Give your workingmen the eight-hour day and we will give you the concessions promised in our budget." Unless the workingmen of Sydney get some benefit from these concessions, I am opposed to them; for any company which compels its workmen in this civilized and Christian age to work twelve hours a day and a great many of them to work seven days a week, should not be given any concessions by a civilized government. That is the stand I take, and I do not care who likes it or who does not like it. I think the Minister of Finance should hold up these portions of his budget, get in touch with the heads of that corporation and say, "We are willing to do this for you provided you are prepared to deal fairly with the men whom you employ." An opportunity is thus offered to get away from the constitutional objection, and all parties in the house can unite to do something for those men who have been so unfairly treated for many years.

Mr. MacDONALD (Cape Breton South): Mr. Chairman, I have to agree with a great deal of what has been said by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I think I can say that I know more

about the conditions under which these men labour at the steel plant in Sydney than does any other hon. member in the house. I know something about the hours of labour and about their living conditions, and I supported this budget because it contained a clause which might be of some help to those men. The hon. member for Winnipeg North Centre has delivered this same type of speech for many years, but those speeches always have been futile because they never had any practical object in view. I have a practical object in view, and when the resolution comes before this house I am going to move that a provision be added that the money be not paid to the steel company unless it shall find its way into the wage envelopes of the men. That is a practical suggestion worth more to these men than all the speeches which the hon. member could deliver during the next ten years.

This thing has to be considered from a common sense point of view. If the steel company at Sydney can afford to pay higher wages and operate on an eight hour day, it should be compelled to do so. If, on the other hand, it cannot afford to operate under those conditions, then no law which we pass in this house is going to compel it to do so. How are we going to find out the true state of affairs? There is a Labour department in this country whose duty it is to have found out these things long ago. If that department were properly organized and properly functioning it would have known of the financial condition of the Dominion Iron & Steel Company, and would have known whether that company was able to pay increased wages. The department has fair wage officers and experts who could have obtained this information. No assistance was given to me when I took the stand I did upon the budget. It cost me something to do that, but while I remain in this house I propose always to have some practical object in view whenever I speak either on behalf of the labouring man or upon any other subject. I do not propose to take up the time of the committee in making futile observations regarding the conditions which obtain down there. We have heard the reports of the ministerial association—we had Rev. Doctor C. W. Gordon down there last year—and everything they say is true. The conditions under which the men work are not satisfactory and are such as no honest Canadian citizen should have to put up with. If that concern can afford to pay higher wages we should see that it does so. There is only one way we can do that, and that is the course I propose to adopt. At that time we will find out just where these gentlemen stand.

[Mr. Finlay MacDonald.]

Mr. HEAPS: Mr. Chairman, for several sessions the house has been discussing the question of higher wages for employees of the government, and from all parts of the house we have had expressions of opinion in favour of granting to them a higher wage. That expression of opinion was not confined to any particular party, and I hope, now that this question has come up of providing better working conditions and higher pay for those employed by the steel companies, it will reseive the same unanimous support.

For a number of years we have listened in this house to the pleas of hon. members from the maritime provinces regarding maritime rights. There is hardly a member from that part of the country who has not risen in his place and said that he was in some way or the other a maritime-righter. If ever there was a time when the members from the maritimes should be fighting for maritime rights, this is it. It is a fine thing to fight for protection for industry, it may be a fine thing to fight for protection for capital, which is really protection for industry, but it is much more important to fight for protection for the human beings who are employed in such industries. We are fighting to-night for protection for those human beings who create dividends for the share and bond holders of these various corporations, and I hope the Liberal members will not be more backward than some of the Conservative members have been. I am sure it would be a reflection upon the Liberal party if they permitted the Conservative party to stand alone in a fight for better living conditions for those who make millions of dollars for the shareholders of these corporations. We find that already the value of the shares of the steel companies has risen, no doubt as a result of the budget introduced by the hon. Minister of Finance.

Mr. DUNNING: Will my hon. friend please quote his authority for that statement?

Mr. HEAPS: I received that information from a friend of mine in whom I have every confidence. He told me that to-day the shares of some of the steel companies had gone up several points.

Mr. DUNNING: I wish my hon. friend would produce proof of that.

Mr. HEAPS: I have not the proof with me, but I accepted it as coming from a most reliable source. There is no doubt that concessions of this character are very valuable to the corporations which receive them, otherwise they would not be asking for them. It might be pointed out that this company came before the tariff board seeking the concession,

and they would not have asked for it unless they expected that it would be of considerable value.

The question arises whether or not these concessions are necessary. There are some who think that this is not an opportune time to grant such concessions as these to the steel companies of Canada. I would like to quote a sentence or two from an article which appeared in the Monetary Times of March 15, 1929, written by F. A. Carman. The following is the concluding portion of the article:

> Until further progress has been made in an exploration of the facts, would it not be unwise to rush into new tariff duties which, though they might benefit certain branches of iron and steel manufacture, could not fail to impose serious handicaps on others? Do not sane considerations of national policy call for thorough investigation as the foundation of government measures for the encouragement of this basic industry?

That opinion is shared by a great many people. The hon. member for Winnipeg North Centre quoted from the statement of the ministerial association, and I would like to quote further from that same statement. This may be of interest to the hon. leader of the opposition, who asked about the working hours of the men engaged in the steel industry, particularly in Nova Scotia. I quote as follows:

> The ordinary working day at the Dominion Iron and Steel Company's plant is ten hours—from 7 a.m. to 5.30 p.m., with 30 minutes at noon for lunch. For night duty there is a twelve-hour term, with thirty minutes at midnight for lunch. For the continuous operations, consisting of the coke ovens, blast furnaces and open hearth departments, involving approximately 1,000 men, the day term is eleven hours and the night thirteen throughout a seven-day week. That is, the men in those departments work an average of eighty-four hours every week—sixty-six during the week on day duty and 102 for the week on night duty.

It would be a reflection on parliament if we attempted to give any form of protection to an industry that works so many of its men 102 hours per week. In 1926 we had the Duncan commission investigating conditions and I think we have been told by the Minister of Finance that the present increase in duties is carrying out the recommendations contained in the report of the Duncan commission.

Mr. DUNNING: No.

Mr. HEAPS: In the report of the Duncan commission, there were recommendations that the steel industry should be given increased protection.

Mr. DUNNING: My hon. friend is quite wrong. My reference was to a matter which is not now before the committee and cannot be until the resolution is reached, with regard to a payment on coal used in the production of steel. That was the reference to the Duncan report.

Mr. HEAPS: Possibly the minister is going a little beyond the recommendation contained in the report of the Duncan commission. In 1926 the Duncan commission reported on conditions in certain of the industries forming part of the British Empire Steel Corporation, namely, the coal industry.

Mr. SMITH (Cumberland): And the steel industry as well. They asked for an investigation.

Mr. HEAPS: I will quote one or two paragraphs from the report of the Duncan commission, showing some of the conditions of the men employed by this corporation to which so much protection is proposed to be given at this time. The report refers to the housing and social conditions that prevail there, and if we are going to give to this company the concessions which they themselves have sought, I think they might do something on behalf of the men, particularly in regard to the social conditions which exist in Sydney and Glace Bay. I find the following at page 19 of the report:

> Many of these houses are old—some of them having been erected by the General Mining Association more than fifty years ago. Others were built for the purpose of housing men engaged on the erection of portions of the operators' plant or in opening up new mines; the latter are little better than temporary shelters and are known and properly described as "shacks." Many families occupy houses that are much too small for their needs. The houses generally have no kitchen or cellar, and in certain districts, in default of waterworks, water is either delivered by the operators in carts or has to be carried from a distance. Where water is piped into the house, there is an almost total absence of bathrooms or water-closets, due, we were informed, to the lack of sewers. There is much complaint of the leaky condition of the roofs, of ill-fitting doors and windows, of doors that are rotted or badly worn, and of walls on which paper and plaster are in shreds and patches.

Mr. MacDONALD (Cape Breton South): May I ask the hon. member whether he has not made a misstatement there? That is not the Duncan report to which we referred. The same gentleman was chairman of the commission, but it was a commission that made an inquiry two or three years previously.

Mr. HEAPS: I thank the hon. gentleman. I thought I mentioned the fact that this was the first Duncan report and not the second one. In any case, it is the same company with which I am dealing.

Mr. MacDONALD (Cape Breton South): The first commission dealt with the Dominion Coal Company; the second commission dealt with the Dominion Iron and Steel Company.

Mr. HEAPS: They are all part of the same corporation, the British Empire Steel Corporation, and if we are to benefit the steel industry by an increased tariff our action in that respect will reflect upon the increased profits of the coal industry which is part of the British Empire Steel Corporation.

Another paragraph in the same report reads:

> Social Wellbeing and Environment
>
> We do not feel that such improvements as the constituted authorities can effect are enough to create speedily the environment which these mining communities need and we very strongly recommend the constitution of a fund which can be administered for purposes connected with the social well-being, recreation, and conditions of living of the workers in or about the coal mines, and with mining education and research.
>
> This fund should be constituted by contributions from all the operators of coal mines, to the extent of one cent per ton of coal raised, and by contributions from the province from the royalties which they receive in respect of ownership of the mines, to the extent also of one cent per ton of coal raised. If these contributions were continued for a period of five years, a fund would be constituted which would go a long way to improve very materially the surroundings in which the miners live and to afford the miners and their families reasonable opportunities for social, physical and intellectual development.

I am informed that nothing along these lines has yet been done so far as the operators or the province are concerned. In the latter part of 1928 I was through this portion of Nova Scotia; I was in the large town of Glace Bay, which has a population of 12,000, and I asked a gentleman, an old resident of Glace Bay, to show me through the miners' residential portion of the town and show me the conditions under which they lived. He took me around, and lo and behold! I saw on the front street—I do not remember the name of it—a number of houses which had recently been painted, while all the other houses away in the rear had not been touched. I said to this gentleman: "How is it that these few houses have been painted pale blue, green and other colours, while the others have not been touched?" His reply was: "Since the Duncan commission reported, they have painted the front houses, so that visitors who fly past in automobiles will think something has been done to improve all the houses in Glace Bay." After visiting that town and seeing some of the miserable conditions under which the men, women and children have to live, I could not help coming away with the feeling that any government, of whatever political conviction it might be, that did not do something to improve those conditions was not worthy of the confidence of the people of this country. What did I see? In the streets where the houses were built there were no sewers. Running down in front of the houses was a little trench where the sewage out of them came, and the young children there, barefooted and ill clad, were wallowing in the mire. Such are the conditions that exist in that portion of the Dominion of Canada and yet no government is prepared to lift a finger to remedy them.

Mr. R. L. Calder, a lawyer, who is probably well known to hon. members, speaking only recently on the question of conditions in Nova Scotia, made the statement that it was "like a suburb in hell" which the people were compelled to live in. Now we intend, by increases in the tariff amounting, I believe, to approximately 70 per cent, to give added profit or protection to an industry which I do not think deserves it. Only recently I received from the Council for Social Service of the Church of England in Canada a bulletin in which are described some of the conditions existing in the steel industry of Nova Scotia. Mr. J. J. Holmes, Junior, the gentleman who wrote the article, has this to say:

> Industrial scientists in Great Britain have stated, after very exhaustive inquiry and experiment, that the maximum efficiency of the human machine is realized on a working week of forty hours.

What have we to say with respect to conditions such as prevail in the steel mills of Nova Scotia, where men are compelled to work one hundred hours per week continuously seven days a week without any rest in between? After the pleadings which have come to the minister from the Conservative side of the house, from hon. members representing the maritime provinces, the minister would be well advised to allow this matter to stand over I do not think the minister can justify either to this house or to the people of Canada an increase in the tariff protection applicable to an industry which allows such miserable conditions to continue amongst the men employed in that industry. If protection is to be given at all to an industry, the first consideration of the house should be: What are the conditions under which the men employed in that industry are working? I do not think that as a result of any examination or inquiry it can truly be said by any hon. member that an industry such

as the Besco corporation is entitled to one whit more protection than it now enjoys until it is prepared to provide on behalf of the men whom it employs such conditions with respect to labour as should prevail in this twentieth century.

Mr CHURCH: It is strange what a change has come over hon. gentlemen opposite in the last few years. One of the reasons for the unemployment that has existed in Canada during the last eight years since this government has been in power is the withering condition of the coal and iron and steel industries. In 1922, 1923 and 1924, before an hon. gentleman opposite seemed to take credit for the appointment of the Duncan commission, an hon. gentleman on this side of the house, the senior member for Halifax, had drawn attention to the conditions prevailing in the maritime provinces At that time the government was dependent on a few free trade votes in this house. It had a majority of only one or two, which might disappear over night. It was dependent upon free trade votes, and was not then thinking about protection.

When I came into this house in the session of 1922 I introduced a resolution, which I reintroduced in 1923 and in 1924, asking for bonuses and subventions and subsidies and protection along the line of Mr. Baldwin's policy in the old country for these three great industries. The coal industry, the steel industry, and the iron industry are key industries in Canada, and upon their success depends the success of agriculture and all the other industries in this country. In the session of 1922, and again in 1923 and 1924, long before the present Minister of Finance was in this house, when he was away up in Saskatchewan sitting as a member of a provincial cabinet, this government voted down the motion of a private member for a national coal supply. That motion was introduced for the purpose of seeing that every ton of coal used in this country was produced under the British flag —in England and Wales, in Alberta and the maritimes. I also asked for an embargo against the $56,000,000 which this country sends down annually to the Pennsylvania coal barons. That amount would have provided a very large sum for these key industries in the maritime provinces in the way of bonuses, subventions and subsidies. Where was the government of the day then? It was hanging on to office by a majority of one or two or three, and it voted down this resolution in 1922, 1923 and 1924.

So far as the Duncan commission is concerned, its appointment was forced upon the government by the Conservative opposition in this house. Debates took place in the house from 1922 to 1926 exposing conditions in the maritime provinces, as a result of which the government was forced to appoint the Duncan commission. That commission heard evidence, and then simply adopted the policy of the Conservative opposition as it had been moved here in amendments to the address and on other occasions. So I do not think the country will be very well pleased with the attitude of hon. gentlemen opposite in this connection, because if there is one agency that has contributed to unemployment in Canada, especially in the maritimes, more than anything else it has been the withering condition of the iron and coal and steel industries. The government did nothing during all the years it was in power to better the condition of those industries. The employees in those three industries were allowed to starve to death, and the industries themselves to wither. But now the government come along and climb on the protection band wagon.

I wonder if the Minister of Finance has any amendments to make to these tariff schedules. Is there an additional budget to be brought in regarding steel and coal and iron, as there was regarding fruits and vegetables? Are we to have a sort of second budget for these industries as we had for fruits and vegetables?

I say, Mr. Chairman, that if credit is due for forcing the government to adopt the protective system, and the safeguarding of our key industries, it is due to the Conservative opposition in this house. The government did not care anything at all about these industries so long as they could grab a few free trade votes and hang on to office. The industries were allowed to wither away and the employees and their families to starve to death for want of work. Now the government comes along with a lot of hurrahs and hallelujahs and says: We are the people who are responsible for the Duncan report. I have read some of the maritime papers, and in one Liberal paper I see that the present Minister of National Defence is given credit for the Duncan report. To read some of those papers you would think that there was only one man in the maritimes. But I say, Mr. Chairman, that if credit is due to anyone, it is due to the senior member for Halifax, the dean of the maritimes, or as I would call him, the father of the maritimes, because he forced the government to deal with these industries in the way they should have been dealt with years ago, in the way they were

dealt with in England and in other countries after the war when these industries were found to be withering. I repeat, if there is any credit due for forcing the present government to bring down a policy of protection to these industries, the credit belongs to the maritime members and to the Conservative opposition in this house.

Mr. SIMPSON: Mr. Chairman, with respect to what my hon. friend from Winnipeg North Centre had to say with regard to the working conditions in the steel industry and the necessity for improving those conditions, I agree with him in part; but the references which he made to the conditions obtaining in Sault Ste Marie were entirely erroneous. The statement that the living conditions of the workmen engaged in the steel plant at the Soo bordered on slavery is absolutely foreign to the facts, and I think the men themselves would be the first to ask me to speak on their behalf in that regard.

Mr. WOODSWORTH: The hon. gentleman will remember that I was quoting from a statement made by Mr. Tweed on the floor of the Ontario legislature.

Mr. SIMPSON: The statement which Mr. Tweed made, and which my hon. friend repeated on the floor of this house, are entirely foreign to the facts. I have lived in the city of Sault Ste Marie for thirty years and am more or less familiar with the conditions under which the men who work in that steel industry live. Those conditions are not in every respect ideal. But one of the best evidences that they have not been as bad as my hon. friend's quotation would lead us to believe is the fact that the most friendly relations have prevailed between the men and the management of the company. There have been no labour troubles for the last twenty-five years in that steel industry at Sault Ste Marie. It is true that many of the men have to work from eleven to thirteen hours a day. That is too long, and I am in entire agreement with what my hon. friend had to say in that respect. I am in favour of the eight hour day. But here were the conditions. The steel industry was able to operate only during a portion of the year owing to the fact that the large steel industries of the United States were dumping their products over here at a price with which the local industry could not compete. Had this industry several years ago been given the protection that they should have had in order to afford them a fair chance in their own market, then I am satisfied the management of the steel company at the Soo would have given the men the eight hour day long before this; and it would have been protection for the men as well as for the industry. As a matter of fact I know that the management of the Algoma Steel Corporation have been working on the scheme of an eight hour day, and just as soon as they can afford to put it into operation they will do so. The provisions contained in the budget with respect to steel will help in that regard. Whether or not they go far enough to enable the steel companies to do that has yet to be proven. I hope they will, and that as a result the men will be placed on the eight hour shift in the very near future. But there is this feature to be remembered in connection with the eight hour day. The great majority of the men who are working the longer hours are working on a tonnage basis, and the longer they work the more they earn. Some of those men—I do not think this applies to all of them—have told me that when the mills were operating only a portion of the year they were anxious to work the longer hours and make more money while they had the opportunity. But the ideal condition is to enable the steel industry to have a fair show in their own market that they may supply the steel requirements of that market, and when they get that they will be able to deal more fairly with their men in regard to working hours and working conditions than they have been able to do in the past.

Mr. SMITH (Cumberland): Mr. Chairman, I wish to align myself with the sentiments expressed by the hon. labour members for Winnipeg North Centre (Mr. Woodsworth) and North Winnipeg (Mr. Heaps) respectively, the hon. member for Inverness (Mr. Macdougall), and other hon. gentlemen who have contended, quite properly, that advantages given to industry through increased protection should be passed on to the worker. I am also in accord with the sentiments expressed more particularly by the hon. member for Winnipeg North Centre with regard to the eight-hour day. It seems to me that this government since the treaty of Versailles has been trifling with this important matter and with its solemn pledges to the other nations of the world under that treaty. No effort whatever has been made to implement the solemn promises contained in that treaty. The question of unemployment insurance, the eight-hour day and other social legislation the federal government always shelves by hiding behind the British North America Act, contending that these matters are outside their jurisdiction and for the provinces to deal with. Well, the provinces had nothing to do with

the treaty of Versailles, they were not signatories to it; but this parliament was, and gave its solemn pledge to other nations of the world that certain advanced social legislation would be implemented. That has not been done.

Mr. POULIOT: May I ask a question?

Mr. SMITH (Cumberland): Yes.

Mr. POULIOT: If there had been no British North America Act, would there have been a Duncan report?

Mr. SMITH (Cumberland): I do not know that that question requires any answer, Mr. Chairman. I am quite unable to understand what the British North America Act had to do with the Duncan report. The Duncan report was made by a royal commission after investigating certain conditions in the maritime provinces. The British North America Act is the Magna Charta of the Dominion, and I cannot see the relevancy of the hon. gentleman's question. The federal authority ought not always to hide behind the British North America Act when important social legislation comes before it. If it is to be the government's excuse with regard to the British Empire Steel Corporation or the other steel companies affected that it cannot interfere because the matter is of a provincial character, then I say something should be done without further delay so as to amend the British North America Act that when preferential tariff treatment is given by this government to certain industries the resultant benefits shall pass on to the worker. I am a strong believer in protection to industry, but I think that protection, unless it is passed along to the worker, is repugnant to every sense of fair play.

Now, Mr. Chairman, another matter was mentioned by the member for Toronto Northwest (Mr. Church). He stated that in 1922 and 1923 he had moved a resolution asking the government of the day to bring down a national fuel policy.

Mr. HEENAN: Will the hon. member permit a question?

Mr. SMITH (Cumberland): Yes.

Mr. HEENAN: In view of the fact that the British Columbia government has passed an act providing for an eight-hour day in mines, and that the Ontario government has passed similar legislation, what is to prevent the government of Nova Scotia from taking the same course for industries?

Mr. QUINN: Why didn't you ask the government of Nova Scotia yourself?

An hon. MEMBER: They already have it.

Mr. HEENAN: Then what is the trouble?

Mr. SMITH (Cumberland): The hon. minister ought to acquaint himself with the facts before he asks such innocuous questions. The minister at the head of the Labour department surely ought to be better informed in regard to labour legislation. Since the hon. member for Toronto Northwest introduced some years ago his motion for a national fuel policy, nothing has been done by this government to protect that industry—one of the key industries of the Dominion. If at that time the government had acted on that resolution, I do not think that to-day we would have Russian coal being imported into Canada, brought here from almost the other end of the world. I am advised that Russian coal is selling on the Montreal market at $6 a ton. The wages paid to the Russian miners of that coal amount to 18 cents a day. I think this government has been negligent—

Mr. DUNNING: Mr. Chairman, I am precluded from correcting my hon. friend's statements since he is out of order in making them. We are not discussing the coal item, but steel, and the debate which has taken place as to the conditions affecting the steel workers, is, I think, quite in order. But I am not aware that anthracite coal has anything to do with steel, alloy steel, blooms, or billets. There will, of course, be opportunity to discuss coal when we come to that item. For the moment, in the interests of orderly procedure, I would ask hon. members to keep to the point.

Mr. SMITH (Cumberland): I am not anxious to break the rules of the house, nor do I want to hold up the debate. I realize that what the hon. minister says is correct with respect to the item under consideration, but no objection was made to the previous speaker who referred to the introduction of the resolution for a national fuel policy, and I was merely referring to it and showing that this government had been lax in its duty to one of the key industries of the Dominion; and, coal is so interlocked with steel that it is almost impossible to separate the two, particularly in relation to the industries in the province of Nova Scotia.

Mr. WOODSWORTH: Is it not true that the coal operations have had to carry the steel operations of Besco?

Mr. SMITH (Cumberland): Yes, and as has been said by one hon. member, coal is helping to do that to-day.

In conclusion I wish to repeat that I am in hearty accord with protection to industry.

I believe that it is essential in order to provide the worker with sufficient wages to enable him to live in a proper and fit state of civilization. Unfortunately such is not the case to-day in certain instances, as has been so well pointed out by the hon. member for Winnipeg North Centre.

Mr. KENNEDY: While listening to the debate I was reminded of a section in the Liberal platform of 1919 dealing with labour and industry.

Mr. MACDOUGALL: They have no platform now.

Mr. KENNEDY: I would like to read a section which I have before me at the present time from the official report of the National Liberal Convention held in Ottawa on August 5, 6 and 7, 1919. At page 204 I find:

First: The guiding principle 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 24 hours, which should include Sunday wherever practicable.

The position so often taken in this house by the government with regard to some of these matters is that they are provincial in character, and the government has said that the problem of adopting an eight hour day rests with the provinces. After all, what does a section such as this signify in a party platform if it does not mean that where there is a weapon in the hands of a federal government to deal with the question, it will be dealt with? To my mind, unless the section can be so interpreted it is of no value. The steel companies have asked and received protection, but I am perfectly sure it would mean a great deal more for the Dominion of Canada if the working conditions and the wages of the employees in the steel industry were improved. Probably the taking of such a step would affect the profits of the shareholders of the British Empire Steel Corporation and other large steel industries but living conditions for workers ought to come before increased dividends because it would mean a betterment of the standard of living and the money paid to the men in wages would go back into general circulation. I can see no justification for the government conceding this protection when a condition exists among the steel workers such as has been described by hon. members in this house to-night. We must remember that there has been no denial by any member of the government or by the Minister of Finance that such conditions exist. Apart from any political platform I think the Liberal government, or any government charged with the administration of Dominion affairs, should consider the welfare of all the people rather than increasing the dividends to those who are already in affluent circumstances.



Mr. EVANS: I do not think that the duties on steel should have been raised at this time and I think most of us are very much disappointed in the action of the government. Any concessions to the steel companies should have been made with two features in view. First, any protection granted as part of a national policy to any industry should be guaranteed to the workers in that industry rather than to the employers, and steady employment for a certain number of men should be a condition upon which the privilege of protection is granted. In the second place, a greater consumption of agricultural products and the products of other industries should be kept in view when protection is granted. I take it that the present proposed increase in the steel duties is chiefly for the benefit of the concerns in Sydney. Those concerns, Mr. Chairman, have proved to be the sink-hole of privilege for the last forty years. When in 1911 the steel bounties legislation came into effect there was given from the federal treasury for the production of steel in Canada the sum of $17,500,000. Of this total $6,481,000 went to the Sydney companies. When so much has been spent with such meagre results, why should we again increase the cost of manufacturing and the prices of finished articles of steel which may be considered as the raw material used by the farmers? Steel has become one of the chief commodities used in agricultural production. Our farms have been increasing in acreage, and we are changing our methods of agriculture. During the next five years practically a new set of implements will be bought by every farmer throughout the three prairie provinces, and the prices of these articles are now increased because of the duties.

Mr. DUNNING: I would ask my hon. friend to point out one single instance in which that is true.

Mr. EVANS: I do not see why the duty is imposed if it is not for the sake of greater price-fixing power.

Mr. DUNNING: I would ask my hon. friend to point out one single instance where the cost of steel which enters into the production of agricultural implements has been increased by the tariff.

Mr. EVANS: Well, I take—

Mr. DUNNING: Perhaps the hon. gentleman will point out wherein the price of the implement itself has on that account been increased. These are matters of fact, not of theory.

Mr. EVANS: I take it that the increased duties are bound to increase the cost of manufacturing.

Mr. DUNNING: Well, my hon. friend is entirely wrong.

Mr. EVANS: What is the purpose of a duty if it is not to regulate the price fixing power?

Mr. DUNNING: Surely my hon. friend knows that the manufacturers of agricultural implements, because of the low duties which obtain with respect to their products, receive a drawback on their raw materials or get them free or at low rates of duty.

Mr. EVANS: I can see that there is no consideration in these items for the labouring man; there is no guarantee that his wages will be such as will meet the high cost of living. Conditions in our steel industries for some years have been a scandal to the whole nation and in fact a blot on the history of Canada. We have the instances to which we could point of force being used in the maritime provinces.

There is another thing I want to point out, and that is with regard to the products of steel and some other articles as well which are almost prohibited entry into this country. The duty named in the tariff schedules is hardly any indication of the amount of tariff that will be charged on any given article. I hold in my hand a statement from one who has been connected with the administration of the tariff act for many years; in fact, he has grown old in the civil service, and I find that according to his words there is a different rate of duty charged on different articles according to the status of the importer. All men do not pay the same duty on importations. For instance, the tremendous trade discounts which are allowed by manufacturers are taken into account when an appraisement is made for duty purposes. For a small dealer there is a discount of 50 per cent, plus 15 per cent, plus 5 per cent, so the value for duty becomes only $40.38 on an article worth $100. The large dealer gets a discount of 50 per cent plus 15 per cent, plus 10 per cent, and his value for duty would be $38.25. A department store is treated even better; it gets a discount of 50 per cent, plus 15 per cent, plus 15 per cent.

Mr. DUNNING: What is my hon. friend's authority for that statement?

Mr. EVANS: I am quoting from a statement prepared by one who is in charge of the port of Saskatoon, where he has been employed for many years.

Mr. DUNNING: What is his name?

Mr. EVANS: I do not know whether I should give his name; I do not suppose he would care, but it can be given to the minister at any time. These are his words: He made out this statement for me himself. In the case of the departmental store the value for duty on $100 worth of goods is only $36.13. The jobber gets a discount of 50 per cent, plus 15 per cent, plus 20 per cent, and his value for duty is only $34.01. But now come to the consumer: There is no discount allowed to the consumer if he imports any article, so his value for duty would be $100. I submitted these figures to one who is in the customs department in Ottawa, and he worked it out this way: The consumer or private importer pays three times as much as the wholesale jobber, two and four-fifth times as much as the departmental store, two and eight-thirteenth times as much as the large dealer, and two and one-half times as much as the small dealer. So we see the discrimination every time against the consumer. It appears that section 36 of the act is interpreted so as to give power to the authorities to act in that way, because of the words "as sold in the ordinary course of trade." That is the only thing I know that would give power to interpret the act in that way. I am sorry to see that after all the years during which we have found it so futile to spend public money for the production of this steel in Sydney and other places in this Dominion, the Liberal government should at this time put that burden again on the consuming public.

Mr. STEVENS: Before this item carries, I am a little surprised that the minister and his colleagues have paid no great attention to the observations of the hon. members who have spoken during the last hour.

Mr. DUNNING: My hon. friend has no right to say that; as a matter of privilege, I resent it. I have been paying attention right along.

Mr. STEVENS: My hon. friend can resent it all he likes; I say it is an unusual thing for a ministry to sit in their places and listen to such indictments as have been made by hon. members of this house during the last hour.

Mr. DUNNING: I rise to a question of privilege.

Mr. STEVENS: There is no question of privilege here.

Mr. DUNNING: My hon. friend stated the ministers were paying no attention to what was being said. I say, as the minister in charge of the item under discussion, that I have paid careful attention to everything that was said.

Mr. STEVENS: There is no question of privilege here. It is about time the hon. Minister of Finance studied the rules of the house and learned what constitutes a question of privilege.

Mr. DUNNING: My hon. friend reflected upon me by saying that as a minister I was not paying attention to what was being said.

Mr. STEVENS: I will repeat what I said in a moment.

The CHAIRMAN (Sir Eugène Fiset): I am sorry, but I hardly think this is a matter of privilege.

Mr. STEVENS: Because an hon. member rises and makes an observation which does not suit his royal highness, the Minister of Finance rises to a question of privilege.

Mr. DUNNING: This is reflecting on me personally.

Mr. STEVENS: Reflecting nonsense; my hon. friend is getting altogether too free with this getting up in the house and posing. He says it is reflecting on him, as though my hon. friend were the custodian of all the virtue in the house. I will now repeat what I said a moment ago. I said it was an amazing thing that a ministry could sit in their places on the treasury benches without uttering a word—

Mr. DUNNING: That was not what you said.

Mr. STEVENS: Wait; I am not through. I said it was an amazing thing that they could sit and listen to the indictments that had been directed to them in various speeches made to-night during the last hour, and I repeat that it is an amazing thing.

Mr. DUNNING: That is different, though.

[Mr. Dunning.]

Mr. STEVENS: I say it is an amazing thing, and furthermore I say that the statements made in this house by the member for Winnipeg North Centre, the hon. member for North Winnipeg, the hon. member for Inverness, the hon. member for Cumberland and two or three other hon. gentlemen regarding the conditions of labour in the steel industry are sufficient to challenge the attention of all the people of Canada. I must make a confession here which I regret to make: I did not know that men in any numbers were working thirteen hours at night work, seven days a week, in any industry in this country. There may be an odd job or two involving not very hard work where this condition may prevail, but to think that in a large industry in the Dominon of Canada in the year 1930 men are working thirteen hours a day seven days a week is sufficient to challenge the attention of this house.

What has been the stock answer of this government every time a question of this kind is brought forward? The stock answer is this: Under the constitution the provinces control property and civil rights and such matters, and therefore parliament and the federal government are helpless. This parliament and this government are not helpless in a matter of this character, which is sufficiently serious to warrant their asserting their power and influence. It may be that parliament is not empowered constitutionally to fix an eight hour day; that point may be challenged, but parliament can deal with this particular question. I take second place to no one in the Dominion of Canada in advocating the protection of the industries of this country, but when I take that stand I take it for granted that the industries are going to maintain a standard of living and pay wages commensurate with the protection they receive and the privileges they enjoy. My next argument is that there has not been devised any other way of dealing with this question except through the customs tariff; that is the method available to the minister. The Minister of Labour (Mr. Heenan) stood in his place just now and admitted that he did not know where in Canada the eight hour day is in force, and he sneered at my hon. friends for suggesting that something could be done in this way. That is the Minister of Labour of this country.

Mr. BENNETT: And then he runs around the country talking about it.

Mr. STEVENS: He goes around posing as the champion of the rights and interests of the working man. I see that three ministers

are present in the house, which is an unusual number to be present while the budget is being discussed.

Mr. YOUNG (Weyburn): There are five present.

An hon. MEMBER: And all awake.

Mr. STEVENS: I was referring to the three sitting in the front row. Not a minister has offered an explanation, not a minister has offered any sympathy or shown any interest in this matter. I am not sufficiently an expert to say that items 377a, 377b and 377c cover the ambit of this particular industry, but I imagine that they would. In connection with these items we have an opportunity of saying to this industry: "Yes, the parliament of Canada is prepared to give you protection sufficient to enable you profitably to produce these articles"—the minister could do that just as easily as sitting there lolling in his seat—"but before such tariff will apply you will satisfy the governor in council that the conditions of labour, the hours of labour and the wages paid are such as will afford a decent living". That is what the government could do; that is what parliament could do, and I say right now that that is what parliament should do before it goes a step further. I admit that possibly there are a number of other items in this schedule—a very long and complicated one—where a similar provision could apply, but I am dealing now with the basic steel industry. The time has come when Canada should give some attention to the basic steel industry. Ever since the first of May the government has been spreading propaganda throughout the country to the effect that it is looking after the basic steel industry. Where have the minister and the government been for the last eight years? The government pays no attention to this industry until just on the eve of an election, when a great conversion takes place. It is not good that a government should be so indifferent to the rights, the comforts and the welfare of the people engaged in this industry. So I say to the hon. minister, who was going to allow this to pass without making any comment, that the time has come when this government should give some consideration to the proposals made this evening.

Mr. DUNNING: Mr. Chairman, I shall try to avoid making any reflections on my hon. friend, but I do not intend to allow to go unanswered his statement to the effect that I was paying no attention to what hon. members have been saying with regard to this matter. I have been in my seat all evening, and I think the hon. member for Winnipeg North Centre (Mr. Woodsworth) would be the first to say that I paid very close attention to his remarks and also to the statements of his colleagues. Occasionally I asked questions, which was an indication of my interest in the matter, and I do not intend to allow my hon. friend to misrepresent me before the people of Canada.

Mr. STEVENS: I was not misrepresenting you.

Mr. DUNNING: The hon. member did misrepresent me in his opening remarks. However that may be, there is this to say with regard to the item under discussion—377a, which covers blooms and billets, primary products of the steel industry: in so far as the Tariff Advisory Board and the government are concerned, the fact is that the employees themselves, through their representatives, joined in the representations then made that what is now proposed should be done. A representative selected by the men of one of the steel plants appeared before the tariff board on behalf of the workingmen of that company and asked for the very thing which is here granted, on the ground that if granted it would be very helpful to the men. Regarding the great steel plant down in the maritime provinces, the men made representations last year—I believe I am correct in saying they were made this year as well—supporting the representations made by the employers with respect to what is being granted in these resolutions. The suggestion is now made for the first time that there should be attached to the tariff a proviso designed to affect the hours of labour and the working conditions of the men employed in the industry. The hon. member for Vancouver Centre (Mr. Stevens) has put that suggestion in more concrete form than has any other hon. member. He stated that a proviso should be attached requiring that the conditions of labour in the industry should be satisfactory to the governor in council. I am quite sure that that suggestion does not satisfy my hon. friends who represent labour in this house. They want something much more definite than that. I am equally sure that it would not satisfy the men engaged in the industry itself. If that principle is to be applied to the steel industry, why should it not be applied to every single item in the tariff? If the principle is a sound one it should be universally applied, and in that universal application the working conditions which this parliament regards as being fair should be definitely set out so that it

would not be open to any government to discriminate between one industry and another in that regard.

Mr. WOODSWORTH: Those conditions are set out in the treaty of Versailles.

Mr. DUNNING: I have some doubt whether the treaty of Versailles covers what would be regarded as fair working conditions. It does cover the question of hours of labour, but my hon. friend is aware that many of the matters which have been mentioned to-night are not dealt with literally by that document. I have assured myself that the men engaged in the industry now under discussion desire this parliament to do what is now proposed to be done.

Mr. SIMPSON: And more.

Mr. DUNNING: The hon. member for West Algoma (Mr. Simpson) says "more."

Mr. BENNETT: He said "and more."

Mr. DUNNING: The representations made by the employees supported the requests of the employing companies, and I have received no intimation from the men that it is their desire that conditions such as have been suggested to-night be made part of the present proposals. Apparently the men are confident of their ability, through their organizations, to see to it that benefit shall accrue to themselves from any increased prosperity on the part of the industry. In saying that, however, I am not opposing the general idea which is advanced. What concerns me is how it is possible practically and definitely to apply it, and that feature of the matter, of course, requires consideration. I rose merely to advise the committee that the men had associated themselves unconditionally with the employers in asking for what is here granted.

Mr. WOODSWORTH: May I say just a word with regard to this? The minister says that the men engaged in the industry desired the government to do what the budget proposes. He also speaks about the men being organized. Let me say that the men are not organized at the Algoma mills.

Mr. MACDOUGALL: Nor at Sydney.

Mr. WOODSWORTH: Just a moment. The men at the Algoma mills are not organized. I happened to be with the British parliamentatry delegation that visited this country two years ago. When we were passing through the Sault in connection with the trip eastward, a deputation waited upon Mr. Tom Johnston, Mr. Tom Shaw and other Labour members of that delegation. I might say that the British delegates were absolutely appalled at the conditions revealed by the deputation that appeared. There was no organization whatever and the men were absolutely afraid to make independent representations. As regards Sydney, it is true there is a union, but it is a company's union, and the men there as well dare not express themselves freely. I know that some of them who visited us two years ago were brought here by the company, and, as they themselves confessed, were paid by the company to come here and endorse the company's project. I do not think the Minister of Finance, if he gives any thought to the matter, will contend that such representations are worth anything as really expressing the views of the men.

Further, the minister says that this is the first time that representations have been made that protection should be given only with conditions attached. I would remind him—and I think he will be able to verify this by consulting with the Tariff Advisory Board—that that proposal was made by gentlemen who appeared before that board. Such representations were then made. Apparently the case is considered to be made out so far as the company is concerned, but the case as stated by those who were interested on behalf of the men was entirely overlooked.

Mr. BENNETT: I confess that I have listened with amazement to the observations that have been made in the committee this evening. I was rather surprised that the Minister of Labour did not think it desirable to enter into the discussion.

Mr. HEENAN: There is plenty of time yet, is there not?

Mr. BENNETT: Oh, yes, there is plenty of time. That men should work eighty-four hours a week in Canada at any job at all is to me appalling.

Mr. HEENAN: Terrible.

Mr. BENNETT: When I remember the ranting observations made by the Minister of Labour in other parts of Canada—

Mr. HEENAN: I am agreeing with the hon. member.

Mr. BENNETT: —I think the time has come when he should say "terrible" with a more serious accent than the one he is now employing.

Mr. HEENAN: I am agreeing with the hon. member.

Mr. BENNETT: Well, "agree with thine adversary quickly" is a very good rule.

Mr. HEENAN: I am wondering why the Nova Scotia government stands for this condition so long.

Mr. BENNETT: The Nova Scotia government is not in any way responsible for the condition now existing, and it is not quite worthy of the minister to deal with the problem in that way.

Mr HEENAN: Pass the buck!

Mr. BENNETT: The minister is a past master at doing that, but in this instance he has been discovered.

Mr HEENAN: I agree that conditions in the Nova Scotia steel industry are appalling and it is a dirty shame that the government of the province of Nova Scotia should stand for them as long as it has done.

Mr QUINN: Why does the minister stand for them?

Mr. BENNETT: Inasmuch as it is the proud boast of Liberalism that it had a government in power in Nova Scotia longer than in any other part of the Dominion, this remark of the minister will be appreciated in that province.

Mr HEENAN: I agree with that also.

Mr. BENNETT: Yes, "Agree with thine adversary quickly" and the hon. gentleman is certainly an adept at that. Did Canada sign the treaty of peace?

Mr. HEENAN: Yes.

Mr. BENNETT: Did Canada thereby become, amongst the nations of the world, a member of the League of Nations? The answer is yes. Did the Liberal party, in solemn convention assembled, adopt the Labour articles of the treaty of peace? The answer is yes. Did the Conservative party do the same? The answer is yes. To-night the question is whether or not the parliament of the Dominion of Canada that signed the treaty of peace, with two great parties pledging themselves to its observance and the group to my left also supporting it, is helpless. It is true that property and civil rights are matters exclusively under the control of the provincial legislatures. It is equally true that this parliament may, if it so pleases, impose conditions with respect to any matter wherein it expends public money or confers a benefit or privilege upon any person or class or corporation. The legislature of Nova Scotia is not now dealing with the matter.

As I understand it, the smelting of iron ore and the manufacture of iron and steel constitute, in the very nature of things, a continuous process. My observations in the plants I have visited would make me believe, except for shutdowns for repairs, that you must, speaking broadly and generally, maintain it as a continuous process. You may do that by two shifts of twelve hours each or three shifts of eight hours each. In the great United States steel plants this was done until three years ago by two shifts of twelve hours each. Three years ago they changed it to three shifts of eight hours each. There are still in the United States plants that maintain twelve hour shifts. One of the members of the house told me to-night what his experience had been as a large employer of labour. He is not present at the moment, but he said they had a ten hour day in their mills for a long time. They changed that to an eight hour day, and he said they would never think of going back to a ten hour day. That is what experience has taught him. Here we have a continuous process in our steel mills. We are young in the industry and we are competing with those who have in the main three eight hour shifts. The United States Steel Corporation and its subsidiary companies that supply most of the steel to Canada, more than other companies, are now working under the plan of three shifts of eight hours each.

Our protection in this instance is based upon one assumption and one only, namely, that we shall afford to Canadian industry an equal opportunity for its development with the opportunity they have in that great nearby country. We are now under item 377a increasing the tariff protection on blooms, ingots, slabs and billets from $1.50 to $2.50, an increase of $1 a ton, or 66⅔ per cent under the British preference; on the treaty tariff the increase is from $2.25 to $4 per ton, which is also an increase of 66⅔ per cent; and on the general tariff item, the one affecting the United States, from $2.50 to $4.50, an increase of 80 per cent. Thus we have three increases in the tariff, the increases being, as I have said, from 66⅔ per cent up to 80 per cent. Now in my conception of protection as applied to the fiscal policy of a country, it is always understood that we shall maintain decent standards of living and reasonable hours of labour which certainly must not violate the condition under which we signed the great world-wide treaty of peace. That being so, what has been suggested in this house to-night is that inasmuch as we are increasing the measure of protection to industries to enable Canadian development to proceed upon orderly lines and upon equal terms with its competitors in other parts of the world, we should also maintain at least those reasonable standards of living and hours

of labour that obtain in communities that are our competitors. The Conservative party has always advocated a measure of protection and the advocates of protection have always put forward the arguments that I am now submitting to the house.

Now we are in an exceptional condition. I do not for a moment underestimate the seriousness of it. But having signed the treaty of peace, and all parties and groups in this house having committed themselves to its maintenance, should we not instead of simply saying, "I am watching to see what the legislature of Nova Scotia does"—because the legislature of Nova Scotia is not wholly in control of that situation; for the raw material from which the iron is smelted comes from the neighbouring colony of Newfoundland, and part of the limestone comes from another community, so you have a measure of intercolonial trade—under those circumstances, is it unreasonable to say that in granting this measure of additional protection, an increase of from 66⅔ to 80 per cent, we should think of human beings who are striving and working eighty-four hours a week? I confess, Mr. Chairman, that there is only one question in my mind: Have we the power? The answer must be in the affirmative. Having the power, then should we not exercise it? I put that to my hon. friends opposite, because here we have no division of opinion; we are all committed to it.

It may be said that the employees have agreed to this tariff change. That argument is as old as every step forward in the progress of the world. There has never been a moment when men who have wives and families and are strugling for food and employment have not been willing to do thus and so because they must work to maintain life. Surely no man seriously puts that argument forward now. I thought it was exploded in England at least seventy years ago, and in America for half a century it certainly has had no validity. It does not lie in the mouth of any member of parliament who is a party to the maintenance of the League of Nations and the treaty of Versailles, the member of any party which has agreed to the maintenance of those standards of life and of comfort, and who believes that men are not slaves and that labour is not a commodity, to say that we should have in this Dominion men working eighty-four hours a week. It is not right; it is not just; it is not fair.

Here we have a chance to say that these increases shall apply only to such mills as maintain the principles of the treaty of Versailles. Is it unfair to say that that should be done? I commend the matter to the government. I think it should be done. It may mean great differences, but an amendment such as this, I think, would meet the situation:

> Provided, however, that the rates of duty set out under items 377, 377a, 377b, 377c, shall apply only when the industry producing the articles enumerated therein have demonstrated to the satisfaction of the Governor in Council that there is maintained in the operation of such industry, hours of labour and rates of wages consistent with the provisions of the labour conference held under the treaty of Versailles.

That is an amendment that I commend now to the government, and that I think at the proper time should be moved; because after all, Mr. Chairman, if we really represent Canadian democracy, if we are sincere in the expressions of our faith in our party conventions, if we really mean what we have declared unanimously in this house with respect to the provisions of the treaty of Versailles and at the League of Nations at Geneva regarding labour, there should not be a dissenting voice in this chamber. We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in compacts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbal.

Mr. HEENAN: I would ask the hon. leader of the opposition a question. There are a number of things to which the government of Canada gave adherence in the peace treaty. The freedom of association was one thing, the eight hour day another. They were to be aimed at as an objective. Does the hon. leader of the opposition now claim that no protection should be given to any industry that does not allow freedom of association and give the eight hour day to the men employed in its works?

Mr. BENNETT: I am dealing with this specific case, but if the hon. gentleman mentions other cases I shall deal with them when the time arises. At the moment I am dealing with two specific items in this tariff, in which it has been established to the satisfaction of the house that men who find employment in the industries concerned toil eighty-four hours a week.

Mr. MACKENZIE KING: May I ask my hon. friend if he sees any reason why the particular suggestion he now makes should apply only to these two items and not to the customs tariff generally?

Mr. BENNETT: As I said, I am dealing with this specific case in which there is an increase in duty of 66⅔ per cent and 80 per cent. It is a basic industry, and my attention has been directed to the fact that the men in that industry toil eighty-four hours a week. I suggest, therefore, that this is one item at least in which we should apply that principle.

Mr. MACKENZIE KING: May I say to my hon. friend that I agree entirely with him as to the eighty-four hours a week; but with respect to his reference in that connection to the treaty of Versailles, what is applicable in one instance should be applicable to all, and if anything is to be done it would be well to have the suggestion apply to the custom tariff generally.

Mr. HEAPS: I do not know clearly whether the Prime Minister is in favour of the suggestion of the hon. leader of the opposition. If he is, I am prepared to make a start right now with this item.

Mr. MACKENZIE KING: I am quite prepared to deal with the whole tariff at one shot.

Mr. HEAPS: So much the better. I am quite prepared in that case. Perhaps the minister would be good enough to allow this item to stand over to consider the suggestion of the Prime Minister, that where any industry has received protection from parliament by way of duties, it should pay to its employees wages and provide conditions of labour in accordance with the treaty of Versailles.

Mr. DUNNING: I will let the item stand.

Mr. MacDONALD (Cape Breton South): In view of the statement just made by the Prime Minister as to dealing with the whole tariff, and of the difficulties that might arise in that connection, I would point out that there would be no such difficulty in connection with the resolution in regard to the bonus. Will he consent to a provision in that case?

Mr. MACKENZIE KING: My hon. friend need not try to get away from the issue as a whole. We will either pass the whole thing or nothing.

Mr. MacDONALD (Cape Breton South): May I point out to the Prime Minister that the bonus resolution is separate altogether from the tariff and can be dealt with promptly if the right hon. gentleman is honest in his statement.

Mr. MACKENZIE KING: We have not yet reached the bonus resolution. The leader of the opposition has been speaking of the Versailles treaty. That treaty is applicable throughout the whole Dominion, and will be made applicable all along the line or not at all.

Mr. MacDONALD (Cape Breton South): Undoubtedly, and on account of the generous promise made by the Prime Minister I thought I might bring the matter to his attention. Will you give us that promise now?

The CHAIRMAN: Item 377 stands.

Mr. DUNNING: I presume that applies to all sections of it, Mr. Chairman,—377a, 377b and 377c.

Customs tariff—378. Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard:

(a) Not further processed than hot rolled, per ton, n.o.p.: British preferential tariff, $4.25; intermediate tariff, $6; general tariff, $7.

(b) Not further processed than hammered or pressed, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

(c) Cold rolled, drawn, reeled, turned or ground, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

(d) Hot rolled, valued at not less than 4 cents per pound, n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—379. Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined, under regulations prescribed by the minister:

(a) Rods, when imported by manufacturers of horseshoe nails, for use exclusively in the manufacture of horseshoe nails, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Rods, in the coil, when imported by manufacturers of chain for use exclusively in the manufacture of chain in their own factories, per ton: British preferential tariff, free; intermediate tariff, $3.50; general tariff, $3.50.

(c) Bars, when imported by manufacturers of shovels for use exclusively in the manufacture of shovels, in their own factories, per ton: British preferential tariff, free; intermediate tariff, $2.75; general tariff, $3.

(d) Rods, in the coil, not over .375 inch in diameter, when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories, per ton: British preferential tariff, $2.25; intermediate tariff, $4.50; general tariff, $5.

Mr. DUNNING: In 379 (d), Mr. Chairman, I wish to insert after the word "coil" the following:

or bars 1⅛ inches in diameter and over,

Amendment agreed to.

Item as amended agreed to.

Customs tariff—380. Plates of iron or steel, hot or cold rolled:

(a) Not more than 40 inches in width, n.o.p., per ton: British preferential tariff, $2; intermediate tariff, $4; general tariff, $6.

(b) More than 40 inches in width, n.o.p., per ton: British preferential tariff, free; intermediate tariff, $3; general tariff, $5.

(c) Flanged, dished, or curved, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. WHITE (London): Is item (d) of 379 carried?

Mr. DUNNING: Yes, but I do not object to my hon. friend reverting to it.

Mr. WHITE (London): This refers to rods in the coil, not over $\frac{3}{8}$ of an inch in diameter. The British preference is $2.25 per ton. The British preference on billets is $2.50 per ton. Usually the items are graded according to the degree of manufacture. In this case we have iron rods, which are more highly processed than billets, at a lower rate than the latter.

Mr. CHAPLIN: In other words, this is a more highly processed bar, and the duty is less than on the billet itself out of which it is made. That is not reasonable, and cannot in any sense be justified.

Mr. CANTLEY: Mr. Chairman, the preceding items which we have just passed are even worse than these three items which are all free. For this there is no justification whatever. Those materials under 379 (a), (b) and (c) are and have been made in this country for thirty years. There is no reason why they should be supplied to makers of those finished products absolutely free of all duty, while at the same time you give those manufacturers the highest rate of protection on any product under this tariff. If the iron and steel tariff is to be built along those lines, I want to point out to the minister that it will prove to be an absolute failure. Tariffs must be constructed on scientific lines if they are to be effective for the purposes for which they are intended. The United States for more than forty years have devoted themselves to the construction of a scientific tariff, with the result that they have built up the greatest iron and steel industry in the world; and they did not do it by putting material of this class on the free list. It cannot be done in that way.

Mr. RYCKMAN: If it means that the more highly processed goods are to bear the lowest duty, surely it is placing a premium on unemployment. What is the explanation? Will the minister state why goods in the rough should be preferred to goods processed?

[Mr. Dunning.]

Mr. DUNNING: This was the result of a continuous discussion which lasted for a long time between the different classes of manufacturers. These items are all manufacturers' concessions—perpetuations in many cases of existing manufacturers' concessions. Secondary industries have been built up on the basis of the rates then existing. One of the problems, as everyone knows, in dealing with the iron and steel schedule is that you start with a primary product, and the finished product of that industry becomes the raw material of the next in line. Days and weeks of discussion, when these secondary and primary manufacturers met each other face to face and argued the matter out, resulted in these compromises —which they really must be when men face each other, each knowing that his advantage lies in one direction, whereas the other's lies in another. I must say that, as anyone who reads the record of the hearings will see, there was a manifested degree of cooperation and compromise, which was quite remarkable and a testimony to the Canadian industries concerned.

Mr. CANTLEY: That is sarcasm, pure and simple.

Mr. DUNNING: I have not had a single complaint about them.

Mr. CANTLEY: You are getting them now.

Mr. DUNNING I am from my hon. friend, but I have not had any from the industry, because these items were the result of men in the primary and secondary developments in the same industry sitting down together and frankly examining the other's position. That is the reason they are not complaining to-day about what is here.

Item agreed to.

The CHAIRMAN: Item 381.

Mr. CANTLEY: You have not passed item 380?

The CHAIRMAN: Yes, I called it and it has been passed.

Mr. CANTLEY: I did not hear it called I want now to make an emphatic protest in regard to this item. Here are plates, not more than 40 inches in width, which it is proposed under the British preference we should allow in at $2 a ton. I make the assertion that there will be no plates of that kind sold by any mill in eastern Canada while this tariff is in force. Why do I say that? Because this material will come in from Great Britain. The fact is that the important iron and steel producing

districts of the old country are situated at Middlesbrough, at Glasgow, and in Wales—all on the seaboard. These plates can come out for one third the rate of freight to Montreal at which they can be brought up from Nova Scotia to that point. With a duty of $2 that market will be captured absolutely and entirely by the British people. It makes no difference to us in Nova Scotia whether we are forced to the wall by American plates or by English plates; the same result will follow. This tariff has not been framed on proper scientific lines, and I wish to assure the minister that it will fail absolutely to meet the requirements of the industry as it exists in Nova Scotia.

Customs tariff—381. Sheets of iron or steel, hot or cold rolled:
(a) .080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.
(b) More than .080 inch in thickness, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $6; general tariff, $7.

Mr. CANTLEY: This item is worse than the previous one. In the province item plates over 40 inches in width are free. How is it possible for plates under items 380 and 381 to be produced in this country under conditions of absolute free trade?

Mr. DUNNING: There is no mill in Canada to-day rolling them over 40 inches in width.

Mr. CANTLEY: A mill was built in Sydney a few years ago, at a cost of a million dollars, to provide plates up to 12 feet in width, and that mill exists to-day. It would be producing plates to-day if sufficient protection were accorded to it.

Mr. DUNNING: It has not produced plates for years. It has had the opportunity of starting on narrow forms. The narrow forms to which my hon. friend refers have been imported to the extent of $1,630,000 worth, and of that total $1,580,000 worth came in from the United States. The duty is the same from Great Britain as it was under the old item, and my hon. friend now expresses the fear that Great Britain will swamp the Canadian market, although the rate is exactly the same.

Mr. BENNETT: From Great Britain?

Mr. DUNNING: Under item 380 (a) at $2.

Mr. BENNETT: The hon. gentleman was talking about item 380 (b).

Mr. DUNNING: I am speaking of item 380 (a). The two items are related, in connection with what my hon. friend had to say. The plates under 40 inches in width now come in very largely from the United States. They can be and are being manufactured in Canada. The rate of duty against Great Britain is the same as it was before, but hon. gentlemen will notice that the rate against the United States is increased. With regard to section (b) of item 380, none of the wider plates are being rolled in Canada, and it is not expected that they will be rolled here in the near future.

Mr. CANTLEY: They certainly never will be under this tariff.

Mr. MANION: The minister has said that the duties are the same. Under the old schedule that item was divided into three items, 379a, 381 and 382. Item 382 carried a higher duty than is proposed now.

Mr. DUNNING: The items which affected imports were two items of $3 each, old item 379a and old item 381.

Mr. BENNETT: Are you referring to plates 40 inches in width?

Mr. DUNNING: Under 40 inches.

Mr. MANION: Will the minister give us the imports under that item?

Mr. DUNNING: The effective items were 379a, under which $1,630,000 worth came in; 381, also a $3 general item, under which $3,335,000 worth came in, and 382, under which $2,120,000 worth came in.

Mr. MANION: The rates were higher under the old item 382 than they are now.

Mr. DUNNING: I am trying to give an indication of what portion of that came in; It was only a small portion, I am advised. If I recite the old item it will no doubt clear the matter up. The old item 382 was:

Rolled iron or steel sheets or plates, sheared or unsheared, and skelp iron or steel, sheared or rolled in grooves, n.o.p.

Only the portion of that item which is under 40 inches in width comes in under the new item.

Mr. MANION: Item 380(b) in the new schedule is divided in the same way, and 379(a) is the same. They are all free under the British preferential tariff. So that there has been a reduction.

Item agreed to.

Customs tariff—382. Hoop, band or strip, of iron or steel:
(a) Hot rolled, .080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.

(b) Hot rolled, more than .080 inch in thickness, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $6; general tariff, $7.

(c) Cold rolled, or cold drawn, .080 inch or less in thickness, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

(d) Cold rolled or cold drawn, more than .080 inch in thickness, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. MANION: There is a reduction all along the line.

Item agreed to.

Customs tariff—383. Sheets, plates, hoop, band or strip, of iron or steel:

(a) Coated with tin, of a class or kind not made in Canada, n.o.p.: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

(b) Coated with tin, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

(c) Coated with zinc, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

(d) Coated with metal or metals, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

(e) Coated with paint, tar, asphaltum or otherwise coated, n.o.p.: British preferential tariff, 7½ per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

(f) Coated with vitreous enamel, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

(g) Corrugated, coated or not: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. BENNETT: Referring to section (a) I notice the words "not made in Canada". Are those words new, or were they there before?

Mr. DUNNING: They were there before.

Mr. BENNETT: Very well; I was not quite sure.

Item agreed to.

Customs tariff—384. Skelp, if iron or steel, hot or cold rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the minister:

(a) Not more than 14 inches in width: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

(b) More than 14 inches in width: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

The governor in council may by order in council direct that there be substituted for tariff item 384 in schedule A of the Customs Tariff, 1907, and the several rates of duties of customs set opposite said item in schedule A, the following:

Skelp, if iron or steel, hot or cold rolled, when imported by manufacturers of pipes and tubes for use exclusively in the manufacture of pipes and tubes, in their own factories, under regulations prescribed by the minister.

(a) Not more than 14 inches in width: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

(b) More than 14 inches in width: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

From and after the publication of such order in council in the Canada Gazette, tariff item 384 as it appears in said schedule at the time of the passing of this act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.

The governor in council shall not direct that such provisions be substituted as aforesaid unless and until the governor in council is satisfied that skelp of iron or steel, hot or cold rolled, is manufactured in substantial quantities in Canada from iron or steel made in Canada.

Mr. CHAPLIN: It is proposed here that under certain conditions the governor in council may grant or allow a duty to go into effect when skelp is ready to be produced in the country. Does the minister know that in two or three mills in this country skelp could be produced within twenty days?

Mr. YOUNG (Weyburn): Not economically.

Mr. CHAPLIN: I wonder how the hon. gentleman knows. I am not asking him, I am asking the minister, or somebody who knows something about it. If the minister does not know, someone near him may give him the information.

Mr. DUNNING: I have not any information to the effect that skelp can be produced in substantial quantities in Canada in such a short time as that mentioned by the hon. gentleman. The evidence before me does not show it.

Mr. CHAPLIN: I know of two steel mills in this country which could produce skelp within a month if a proper duty were imposed, but it never will be produced under the proposed order in council. It is just so much "eyewash"; nothing more, nothing less.

Item agreed to.

Customs tariff—385. Sheets, plates, hoop, band or strip, of iron or steel, hot rolled, valued at not less than five cents per pound: British preferential tariff, 5 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—386. Sheets, plates, hoop, band or strip, of iron or steel, as hereunder defined, under regulations prescribed by the minister:

(a) Plates, when imported by manufacturers for use exclusively in the manufacture or repair of the pressure parts of boilers, pulp digesters, steam accumulators and vessels for the refining of oil, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Sheets, plates, hoop, band or strip, cold rolled, when imported by manufacturers for use exclusively in the manufacture of butts, hinges, typewriters or sewing machines, in their own factories: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

(c) Sheets, plates, hoop, band or strip, hot rolled, being mould boards, shares, plough plates, land sides or disc circles, when such rectangles, circles or sketches are cut to shape but not moulded, punched, polished or otherwise manufactured, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—386(d). Sheets, hoop, band or strip, coated, polished or not, when imported by manufacturers of saddlery hardware for use exclusively in the manufacture of saddlery hardware, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. CANTLEY: Before you go any further, Mr. Chairman, I want to protest against this whole list of free items. It is absolutely useless for the government to talk of protecting and building up an iron and steel industry in this country while they place a large proportion of the products of our mills and furnaces on the free list and at the same time unfairly grant the people who use this raw material, produced under conditions to which I have referred, the highest rate of protection granted under the Canadian tariff. There is nothing scientific, fair or reasonable about the tariff as reflected in the whole list of items contained on pages 16 and 17, and I protest against those items.

Item agreed to.

Customs tariff—386(e). Sheets, hoop, band or strip, hot or cold rolled, when imported by manufacturers of shovels for use exclusively in the manufacture of shovels, in their own factories, per ton: British preferential tariff, free; intermediate tariff, $2.75; general tariff, $3.

Customs tariff—386(f). Hoop, band or strip, drawn, coated or not, when imported by manufacturers of mats for use exclusively in the manufacture of mats, in their own factories: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Customs tariff—386(g). Sheets, plates, hoop, band or strip, not tempered or ground nor further manufactured than cut to shape, without indented edges, when imported by manufacturers of saws or straw cutters for use exclusively in the manufacture of saws or straw cutters, in their own factories: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Customs tariff—386(h). Sheets, plates, hoop, band or strip, hardened, tempered or ground, not further manufactured than cut to shape, without indented edges, when imported by manufacturers of saws for use exclusively in the manufacture of saws, in their own factories: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Customs tariff—386(i). Sheets, hoop, band or strip, when imported by manufacturers for use exclusively in the manufacture of buckle clasps, bedfasts, furniture casters, corset steels, clock springs, shoe shanks, phonograph motor springs or ball bearings, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, 5 per cent.

Customs tariff—386(j). Hoop, band or strip, being tagging metal, coated or not, when imported by manufacturers of shoe and corset laces for use exclusively in the manufacture of shoe and corset laces, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, 5 per cent.

Items agreed to.

Customs tariff—386(k). Sheets, hot or cold rolled, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of vitreous enamelled sheets for apparatus designed for cooking or for heating buildings, in their own factories: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. DUNNING: With respect to this item I propose a change in order to allow the manufacturers of apparatus designed for cooking to secure the same concession with respect to hollow ware as is here granted with respect to stoves and ranges. The amendment substitutes for the present item the following:

Sheets, hot or cold rolled, when imported by manufacturers of hollowware coated with vitreous enamel or of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of hollowware coated with vitreous enamel or of vitreous enamelled sheets for apparatus designed for cooking or for heating buildings, in their own factories.

Mr. BENNETT: Was this recommended by the tariff board?

Mr. DUNNING: Yes.

Mr. BENNETT: Why was it not put in the tariff originally?

Mr. DUNNING: The point was not clear originally as to the wording for cooking, as to the distinction between cooking utensils and enamelled hollow-ware generally. As a matter of fact the item as originally worded partly covered commodities of enamelled hollow-ware, but not completely. It was an error.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—386(l). Sheets, cold rolled, blue polished, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—386(m). Sheets, hoop, band or strip, hot rolled, when imported by manufacturers for use exclusively in the manufacture of sheets, hoop, band or strip, coated with tin, zinc, or other metal or metals, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free; on and after January 1, 1931: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. BENNETT: Why is this after January 1, 1931? Does that apply to all the preceding paragraphs of this item, or only to paragraph (m)?

Mr. DUNNING: It applies only to the paragraph under discussion. This is to give notice that all dippers will be on the same basis on and after January 1, 1931.

Item agreed to.

Customs tariff—386(n). Hoop, band or strip, hot rolled, .080 inch or less in thickness, when imported by manufacturers for use exclusively in the manufacture of cold rolled iron or steel, in their own factories: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Customs tariff—386(o). Hoop, band or strip, hot rolled more than .080 inch in thickness, when imported by manufacturers for use exclusively in the manufacture of cold rolled iron or steel, in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—387. Railway rails, of iron or steel, of any weight or for any purpose, punched, drilled or not, per ton: British preferential tariff, $4.50; intermediate tariff, $6; general tariff, $7.

Item agreed to.

Customs tariff—387(a). Railway ties, fishplates, splice bars, rail joints, tie-plates, of iron or steel, per ton: British preferential tariff, $5; intermediate tariff, $7; general tariff, $8.

Mr. BENNETT: There are no changes in these items, I take it?

Mr. DUNNING: The item dealing with railway rails is changed by the insertion of the words "of any weight or for any purpose," for greater clarity.

Mr. BENNETT: No change in the rate?

Mr. DUNNING: No.

Item agreed to.

[Mr. Dunning.]

Customs tariff—387b. Railway intersection layouts, intersections, switches, crossings, frogs, guard rails, of iron or steel: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—388. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, n.o.p., per ton: British preferential tariff, $1; intermediate tariff, $2.75; general tariff, $3.

The governor in council may, by order in council, direct that there be substituted for tariff item 388 in schedule A of the Customs Tariff, 1907, and the several rates of duties of customs set opposite said item in schedule A the following:

Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, weighing not less than one hundred and twenty pounds per lineal yard, n.o.p., per ton: British preferential tariff, $2; intermediate tariff, $2; general tariff, $3.

From and after the publication of such order in council in the Canada Gazette, tariff item 388 as it appears in said schedule at the time of passing of this act, shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.

The governor in council shall not direct that such provisions shall be substituted as aforesaid unless and until the Governor in Council is satisfied that iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections weighing less than one hundred and twenty pounds per lineal yard are manufactured in substantial quantities in Canada from steel made in Canada.

Item agreed to.

Customs tariff—388a. Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, viz: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, per ton: British preferential tariff, $4; intermediate tariff, $5.50; general tariff, $6.

Item agreed to.

Customs tariff—388b. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $6; general tariff, $7.

Mr. MacDONALD (Cape Breton South): I know there is no use in making any objection to these items, but I am advised that this change under item 388b will ruin some of the plants engaged in fabricating iron and steel. One plant in my own city advises me

that this means absolute ruin. I suppose it is of no avail to protest, but I feel it is my duty to direct the attention of the minister and of the government to this situation.

Mr. CANTLEY: I want to protest once more. We have item 388 with a duty of $1 per ton, which is less than the duty on the pig iron from which these articles are produced. Is there anything more ridiculous in the tariff? The whole tariff is ridiculous and will be absolutely useless as far as protecting the iron and steel industry is concerned. I venture to say that twelve months from now the minister will be forced to agree with what I am saying.

Mr. SHORT: He will not be here.

Mr. CANTLEY: I hope he will be in the house so that I may have the satisfaction of showing him how this has worked out in one year.

Mr. DUNNING: My hon. friend may not be here himself.

Mr. CANTLEY: Perhaps not, but in that case I can write the minister a letter.

Mr. BENNETT: There is a matter here to which I directed attention some time ago. Power is given to change the tariff by executive action, and notice is to be given in the Canada Gazette, but the new tariff is to be operative forthwith. As I have said on previous occasions in dealing with other matters, I think notice of fifteen or thirty days should be given, as the case may be. It is rather unfair to provide that a new tariff may be promulgated by executive action without affording at least some opportunity of knowledge to those who may be concerned.

Mr. DUNNING: I should point out to my hon. friend that this item is exactly the same as it has stood in the tariff since 1914. However, I will bear in mind what he has said.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

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## Thursday, May 22, 1930

The house met at three o'clock.

### REPORTS OF COMMITTEES

Eighth report of the select standing committee on miscellaneous private bills.—Mr. Glen.

Third report of the select standing committee on industrial and international relations. —Mr. McIntosh.

### PRIVATE BILL

FIRST AND SECOND READINGS—SENATE BILL

Bill No. 300, an act respecting a certain patent of Staunton's Limited.—Mr. Geary.

### BUSINESS OF THE HOUSE

SATURDAY AND MORNING SITTINGS—CONCLUSION OF SESSION IN ANTICIPATION OF ELECTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would ask the consent of the house to move the following motion which appears on the votes and proceedings of yesterday:

That on and after Saturday, the 24th of May, instant, and every day thereafter, except Sundays, until the end of the present session, the house shall meet at eleven o'clock, a.m. That in addition to the usual intermission at six o'clock, p.m., there shall also be an intermission every day from one to three o'clock, p.m., and that the order of business and procedure shall be the same on Saturdays as on Fridays.

May I say with reference to the motion, it is perhaps advisable that hon. members should be informed of one or two considerations of which the government has to take account, not so much in regard to bringing the proceedings of parliament to a close as with reference to arranging for the date of a general election. I noticed in one of the morning papers the statement that there was some understanding between the hon. the leader of the opposition (Mr. Bennett) and myself as to the date at which the business of parliament should be brought to a close. While I have had a number of conferences with the leader of the opposition, and all of them so far as I am concerned, most congenial, there has been no definite arrangement reached between us as to the time of the closing of parliament. I would say the same with respect to the conversations I have had with the leader of the Progressive group (Mr. Gardiner). What we have agreed to is that so far as possible we would all do what we could to expedite the business of the house in the effort to bring its proceedings to a conclusion as speedily as possible. A great deal of business has been put through within the last few days and there is, I think, every indication that hon. members are disposed to proceed with matters as rapidly as circumstances will justify. I am informed by the Chief Electoral Officer that under the provisions of the Dominion Elections Act, sixty days or possibly fifty-nine days must elapse between the time at which the writs are issued and the date of the election. That means roughly that if we were to conclude the session at the end of the month of May the elections could not come before the end of July.

There is another provision in the act to the effect that the elections themselves must be held on a Monday. The first Monday in August happens to be a civic holiday throughout the province of Ontario, and I imagine that for that reason there might be some exception taken to having the election on that particular day. If an election is not held on or before the 4th of August, it means that it would have to be as late as the 11th of August, or later. If hon. members feel that it is in the public interest to have the election delayed until the 11th of August or beyond, that is, of course, a matter within their own control, but my impression is that every member of the house feels that those who are present here are at this time at some disadvantage in comparison with their actual or would-be opponents, in that the field is open to the latter wherever they may happen to be, whereas we have to continue to sit here and go on with the business of parliament. That is a consideration which I suppose should not weigh in the minds of those who have to do with public business. However, it is a consideration that I think may affect to some extent the way in which the balance of the business of the house will be transacted.

May I make this quite clear? The government has no desire to rush through any legislation, estimates or anything else. The estimates have been before parliament practically from the beginning of the session. Hon. members must know from having looked over them what particular items they feel are of a character that should be very fully discussed, which, in other words, will probably be the items of controversy. If those could be indicated to the whips, I see no reason why they should not be brought forward before any others, so that it may not be thought that the government is holding back certain items to rush them through at the last moment. Most of the items in the estimates, I think, will commend themselves to the house without discussion, but there may be some on which there should be some discussion. The most contentious estimates are usually those of the Department of Public Works. With those estimates we have already made very substantial progress. What remains are not very considerable.

That is my reason, Mr. Speaker, for bringing this motion before the house at the present time. It is with the hope that it may be possible to conclude the business of parliament next week; but if that is not possible, we will just have to go on a little longer. What I would, however, point out to hon. members is this: it will, I think, be agreed that so far as the public interest is concerned it will be best served by having the elections over as soon as possible, having regard to disturbed conditions likely to exist meanwhile and to the fact that there has to be, at the least, a campaign of sixty days, and that to all intents and purposes the campaign is on at the present time outside of parliament, as well as possibly to a very limited extent inside.



Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, with much that the right hon. gentleman has said I, of course, am wholly in accord. I desire first of all to say that since the matter of a general election was first discussed, the conversations that I have been privileged to have with the Prime Minister (Mr. Mackenzie King) have been of the most harmonious character and every effort I think has been made by all who have discussed the subject with him, including my friends to my left, to expedite public business and to discharge our duties as members to the best of our ability, having regard to the public interest as it may be affected first of all by the tariff changes proposed, secondly by the estimates, and thirdly by the impending election. There is a very considerable body of business yet to be disposed of. The discussions that have taken place on the budget resolutions are discussions which I think it will be agreed could not easily be shortened. We realize that the government has a majority behind it for the moment to enable it to put through its resolutions, reluctant though some hon. gentlemen opposite, including the hon. gentleman from Marquette (Mr. Glen) may be to do so; nevertheless, the government has the power so to do, and a frank recognition of that fact may do something to shorten lengthy discussions. It would seem to be improper for us to be standing up in every instance and say that we disagree with this or that or the other thing. Rather, a general objection in principle to the measures proposed has I think correctly indicated our position.

With respect to the necessity of expediting an early appeal to the people, I have informed the Prime Minister, as he has indicated, that while we have no agreement, as he has said, I am anxious, as are those who are associated with me to the left of the Speaker, in every way possible, to see that the public business is transacted as expeditiously as possible having regard to what I say is the public interest. The suggestion that has been made as to contentious items in the estimates being communicated to the whips prior to discussion commencing in the house will I think do

much to expedite business. There is a large number of items which must be passed whoever is on the treasury benches. The public service must be maintained, salaries must be paid, fixed charges must be met. All these are purely matters of routine, and we will get rid of them very quickly. There are a few rather disputatious items in the estimates that will involve discussion of, shall we say, administration—a word that I think the hon. member from Lisgar (Mr. Brown) will regard as aptly indicating the situation, although Trench may not say that that is the best word to use in the circumstances.

Mr. BROWN: Refer to the dictionary.

Mr. BENNETT: If we are to consult the dictionary, I would have to refer to the Minister of Railways and Canals (Mr. Crerar).

We shall do everything in our power to determine the items on which discussion will take place at any length. I should, however, like to make clear that we are not to be taken as agreeing to items that are passed by the house simply because we do not take up the time of the house to enter into a lengthy statement of our objections.

The supplementary estimates, I think, should be brought down at as early a date as possible. That would enable the members in the evening to give them some little study and to determine what should be the subject matter of more lengthy discussion in the house. I think I can say on behalf of my colleagues that in every way possible, consistent with what we regard to be the public interest—there will always be a difference as to that—we shall do our best to forward the transaction of public business.

I must say that I have given much consideration to the conditions imposed by the Dominion Elections Act as indicated by the Prime Minister. Having regard to the fact that the election must be held on a Monday, and to the further fact that there is a civic holiday in Ontario on the first Monday in August, I quite agree with the right hon. the Prime Minister, for my information is that it would be entirely out of the question to hold an election on that day, having regard to the conditions that exist in connection with that holiday. Therefore, we are confronted with a condition and not a theory. It is a question of whether or not we shall have an election on the Monday preceding the 4th of August or on some Monday subsequent to that day. That is what the position seems to be.

Mr. MACKENZIE KING: That is correct.

Mr. BENNETT: While there has been no agreement in any sense, I think we are all in accord that if the public business can be properly disposed of, the election should be held on some date antecedent to the 4th of August. Otherwise, it is in the lap of the gods.

Motion agreed to.

## REPORT PRESENTED

Annual report of the Civil Service Commission for the fiscal year 1929-30.—Mr. Rinfret.

## BEAUHARNOIS POWER CORPORATION

### MOTION FOR ADJOURNMENT TO DISCUSS MATTER OF PUBLIC IMPORTANCE

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to ask leave of the house to move the adjournment to discuss a definite matter of urgent public importance in connection with the hydro-electric development of the Soulanges section of the St. Lawrence river between lake St. Francis and lake St. Louis by the Beauharnois Power Corporation Limited and its various subsidiary companies, including the Beauharnois Light, Heat and Power Company.

The government has approved of the above development by passing order in council P.C. 422, March 8, 1929, and in so doing the government has not accepted the plan for this undertaking recommended by the joint board of engineers, dated November 16, 1926.

Further, apparently the Beauharnois Light, Heat and Power Company and the Beauharnois Power Corporation Limited have violated and exceeded the terms and conditions imposed on them by the said order in council, and in so doing have committed acts which justify a demand for an explanation by the government as to whether or not there is an agreement between the government and R. O. Sweezey and his associates who own and control the said company and corporation whereby the whole of the unallocated portion of this section of the St. Lawrence river will be turned over to them for exploitation.

The government should disclose to parliament the reasons for its non-acceptance of the said recommendation of the joint board of engineers, and the government should further disclose to parliament whether or not there is an agreement as above indicated between it and R. O. Sweezey and his associates, and if there is no such agreement the government should take such action as in the premises is proper and requisite.

Mr. SPEAKER: I have read the considerations which the hon. member has brought in support of his motion. I consider them of

urgent public importance in view of the early close of the session. But twenty members must rise in their place.

And leave having been granted:

Mr. GARDINER: Mr. Speaker, the subject matter which I desire to discuss this afternoon is of very great importance to the people of Canada. It is not only important to the eastern section, but to the whole Dominion. In the first instance, it will be my purpose to give the history of this undertaking from the beginning. Inasmuch as probably members have not had an opportunity of giving very much serious consideration to this important question, I believe that such a history would be very valuable to them in this connection. After I have done that it will be my privilege to discuss the financial terms of the various organizations comprised in the parent company to show very clearly how the capitalization of these companies has been such that it is not in the public interest in any way whatsoever.

Dealing with the history of this corporation, it might be said that at a certain date the Beauharnois project came under the ownership and control of what are known as the Robert heirs. It is not necessary for me to go back beyond that time, because we are not interested in the situation anterior to that particular date. The Robert heirs caused to be incorporated in 1902 what is known as the Beauharnois Light, Heat and Power Company. We have no information as to the capital stock of this particular company or what its total assets were at that particular time. After the incorporation of the company the Robert heirs transferred to it their rights in the Beauharnois project and retained other rights for themselves. They owned, however, all the shares of the Beauharnois Light, Heat and Power Company. The Robert heirs also owned, either personally or through the Beauharnois Light, Heat and Power Company, the entire project.

The Beauharnois Light, Heat and Power Company had the right to divert 1,050 cubic feet of water per second. However, there developed a dispute between the company and the Dominion government over those rights, and finally it was settled in 1910 by an agreement between the company and the Dominion government, which was amplified by order in council, by which the rights of the company were definitely dealt with.

Eventually the company applied to the Dominion government to divert 40,000 cubic feet of water per second. The Dominion government secured the reports of various engineers in connection with this application, among which was the report of Henry Holgate, dated May 16, 1916. The Dominion government refused to make the grant. However, in 1927, Mr. R. O. Sweezey purchased from the Robert heirs the entire Beauharnois project for himself personally. This was established by Mr. Sweezey when he gave evidence in Montreal in connection with a lawsuit between himself and the Transportation and Power Company of Montreal. During the trial the following questions were put to Mr. Sweezey and were answered by him:

Q. Did you buy any rights from the Robert heirs within that year, that is, the year from April 28, 1927?

A. Yes. I am just trying to think of the date. It was in 1927 I bought from Robert's. It was within the twelve months from April 28, 1926.

Q. And you bought it personally?

A. Yes.

Q. That is, you were acting for somebody else, I suppose, but you bought in your own name?

A. I bought it personally.

Q. (By the court) Your answer as I understand it, is that in 1927, within a year from April, 1926, you purchased the Robert interests in this scheme?

A. Yes.

So that as a result of what I have stated to the house we have Mr. Sweezey owning the entire Beauharnois project which he purchased from the Robert heirs in the spring of 1927. The price that Mr. Sweezey paid for this is not known, but a reasonably accurate idea will be given later.

During the hearing of the case of R. O. Sweezey and the Transportation and Power Company, a letter signed by R. O. Sweezey was placed in evidence and I propose to read it. I trust hon. members will follow my reading of this letter very carefully because of the fact that there are many very important implications in it. This is the letter:

J. Alderic Raymond, Esq.,
Windsor Hotel,
Montreal.

136 St. James Street, Montreal.
14th October, 1926.

Dear Mr. Raymond,—

Further to our conversation regarding the St. Lawrence power project, in which we are both interested, I may say that though I have been familiar with this situation for some twelve years, it is only during the past twelve months that I have devoted some serious attention to the study of the economic possibilities of this one million horse-power development, near the city of Montreal, and on deep water navigation in the St. Lawrence.

Briefly stated, the power site is comprised in the natural fall of eighty-three feet, in the distance of some fourteen miles, between lake St. Francis and lake St. Louis. It is proposed to divert by a canal through a clay section of level country on the south shore a minimum of 75,000 cubic feet per second on St. Lawrence

water, or a possible maximum of 150,000 c.f.s. The effective working head would be seventy-five feet. In case of maximum diversion and 70 per cent load factor, a development of 1,350,000 h.p. is possible, and at a cost which competent authorities place at not over $100 per h.p.

To place ourselves in possession of all the rights essential to this undertaking, we should pursue the following course:—

1. Acquire the Robert rights which are fundamental in regard to an initial grant which he holds to divert 40,000 c.f.s. He also holds rights granted by charter to expropriate for the proposed canal route. Numerous other incidental rights are included in his holdings which he is anxious to sell, though he wishes to participate partially in the organization syndicate.

2. Acquire the control of the St. Lawrence Waterways & Power Company stock, which is available to us, and upon which we have already a substantial hold.

3. Enlist with our syndicate two or three individuals, who in addition to providing some cash as their fair share, can assist us in getting our rights extended or enlarged so as to develop the entire available flow of the St. Lawrence at this point. As the whole situation is entirely within the province of Quebec, our influence has to be exerted only in Canadian political circles—that is at Ottawa and at Quebec.

4. It will probably be advisable to enlist the participation of certain United States interests, who for their capital and initiative can be relied upon to absorb some of the power in Quebec province in connection with some power-using industry—similar to the Aluminum Company of Canada.

The promise to use a substantial block of power in Quebec province will facilitate our negotiations with Quebec authorities, and further facilitate our exporting of power to the province of Ontario.

5. The cash to be raised for the early stages of this project for the sole purpose of acquiring and enlarging rights to the extent of 150,000 h.p. diversion will approximate some six or seven hundred thousand dollars. It may take three or four years then before actual development starts.

In connection with personnel of syndicate, I have in mind the individuals we should enlist with us, and although I have been in touch with United States people showing a desire to join, I have hesitated to accept any one definitely until certain that each and every one is persona grata to all others.

I have said nothing about the vision necessary to an appreciation of such a project from an economic standpoint, nor have I touched upon the huge profits that may be expected, as these are matters that the ordinary business man can well picture for himself. I do not wish to minimize, however, the task that presents itself in rounding up and launching such a scheme. The actual raising of the money becomes easy, however, once the physical properties and rights have been gathered in.

Yours sincerely,

R. O. Sweezey.

Hon. members will note two very important points in this letter. The first one is that they expect tremendous profits by securing control of this company, and also by securing certain rights either from Quebec, from the Dominion government or from both. It is stated very definitely in this letter that while it is essential that certain persons who have some cash should be in the organization, it is abosolutely essential that there be some people in the organization with political influence.

As soon as Mr. Sweezey assumed control of the Beauharnois Light, Heat & Power Company he advised an application to be made by the company to the legislature of the province of Quebec for the right to divert 40,000 cubic feet of water per second from lake St. Francis. This application was granted subject to the approval of the plans by the Dominion government. A lease between the province of Quebec and the Beauharnois Light, Heat & Power Company was entered into to give effect to the granting of the above mentioned application. Application was also made by the company to the Dominion government for the approval of those plans. The company, in depositing its application, submitted the following as a basis for an agreement with the Dominion government:

(a) When making its initial installation, the company will construct its power canal to such plans and specifications and will operate its power development in such a manner that the canal when completed will conform to the navigation standards as set out in paragraph 111 of the main report, and paragraph 13 of appendix C of the report made by the International Joint Board of Engineers 1926-27.

(b) The capital amount properly chargeable to navigation, in this connection as calculated by the International Joint Board of Engineers will be approximately sixteen million dollars ($16,000,000) and will be paid by the company. The company will also install such remedial works as may be necessary to avoid injury to existing power developments and will maintain the level of lake St. Francis at such elevation as may be required for navigation.

(c) At any time that the government may demand, and after three years' notice, the company undertakes to install in connection with its power canal, such locks and other necessary works as may be required to make the power canal available for through navigation for vessels of a size and draught as large as any vessels which will be able to use the new Welland canal upon its completion, provided:

I. That concurrently with the installation of such locks the company shall have the right to enlarge its canal and to divert through it and utilize for the development of power all the flow of the St. Lawrence river between lake St. Francis and lake St. Louis with the exception of water required for floatage through the existing Soulanges canal, and with the exception of that quantity of water to the user of which existing power plants are now legally entitled.

II. That the cost of such locks and other improvements to be borne by the company shall not exceed eighteen million dollars ($18,000,000).

III. That in any event the company shall not be obliged to install such locks and other works above referred to until such time as will enable

the company to complete such installation concurrently with the final completion of the remainder of the St. Lawrence deep waterway.

Very strong protests were entered against this proposal. So strong were they that the Minister of Public Works (Mr. Elliott) thought it wise to hold a hearing, and the company sent in an amended application. The amended application is altogether different from the first one. We must remember, however, that it was the intention of the company in the first place to secure if possible the whole flow of the St. Lawrence river. I am going to read the amended application for the information of hon. members.

Mr. RYCKMAN: What is the date of that application?

Mr. GARDINER: January 15, 1929.

The application of the Beauharnois Light, Heat and Power Company now pending before the governor in council is purely and simply for the approval of plans for hydraulic development which will be subject to a condition that not more than 40,000 cubic feet per second shall be diverted from the river—from lake St. Francis, to be returned to lake St. Louis and used for power purposes by the company between these two points; and any condition that the government may exact, in any wording satisfactory to the government, involving that limitation, is accepted in advance by the applicant. If the engineers think that the plans should be altered to meet this declaration the company will submit to any such alteration.

Plans and specifications of the company were finally approved, and order in council P.C. 422 was passed on March 8, 1929, confirming the approval. It will be noted that approval was granted subject to not more than 40,000 cubic feet of water per second being diverted from lake St. Francis. The order in council recites other conditions, but they are too numerous to discuss at this moment.

When the Beauharnois Light, Heat and Power Company had secured approval of its plans to develop this work, a new company was formed, namely, the Beauharnois Power Corporation Limited. The solicitors who incorporated this company was Messrs. McGiverin, Haydon and Ebbs, of Ottawa. The Haydon referred to in this company is now Senator Haydon of Ottawa, and so far as the records on file in the Department of the Secretary of State show, this company was formed of the office staff of the above law firm, and thus constituted it entered into certain agreements all of which are set out in the statement in lieu of prospectus which was filed with the department on September 30, 1929. In paragraph 1 of this statement we find the following information with reference to the construction of the share capital of the company:

Five management preferred shares without nominal or par value;

1,799,995 class A common shares without nominal or par value;

3,200,000 class B non-voting common shares, without nominal or par value.

Provided, however, that the said shares without any nominal or par value may be issued for such consideration as may from time to time be fixed by resolution of the board of directors of the company, not exceeding in the aggregate the sum of $50,000,000, or such greater amount as the directors may deem expedient and as shall be authorized from time to time by the Secretary of State of Canada.

In addition to the above the company entered into an agreement to isue $30,000,000 worth of thirty year, 6 per cent collateral trust sinking fund bonds of the company. At this time it must be remembered that the Beauharnois Power Corporation Limited had no assets whatsoever. The company now having been formed, they were ready to proceed to do business. In the meantime, however, from the date on which Mr. Sweezey had acquired the assets of the Robert heirs in the Beauharnois undertaking, he had manipulated affairs in such a way that when the Beauharnois Power Corporation Limited wanted to purchase these assets, they were owned by what was known as the Beauharnois syndicate. The members of this syndicate are not known, but I submit that in the public interest they should be disclosed to parliament. The Beauharnois Power Corporation Limited, after its incorporation and organization, then purchased from the Beauharnois syndicate the Beauharnois project which previously had been purchased by Mr. Sweezey from the Robert heirs. The details of these transactions are contained in paragraph 6 of the statement in lieu of prospectus.

In the first place the Beauharnois Power Corporation Limited assumed the liabilities of the Beauharnois syndicate, and amongst these liabilities was a liability by the Beauharnois syndicate to the Robert heirs. This liability no doubt arose, through the sale by the Robert heirs of the Beauharnois project to Mr. Sweezey, who formed the Beauharnois syndicate which took over the agreement with the Robert heirs to pay the purchase price provided in the agreement. The syndicate apparently did not pay this purchase price, but in conveying their rights to the Beauharnois Power Corporation Limited they provided that this purchase price should be assumed by the Beauharnois Power Corporation Limited. The liability therefore assumed in respect to the Robert heirs was a liability to pay them the sum of $20,000 cash

and to issue to them 21,000 fully paid up class A shares of the Beauharnois Power Corporation Limited. This, then will give some idea of the real price of the Beauharnois project when Mr. Sweezey purchased it, and using this as a basis for computation we can realize how the property increased in value from the time Mr. Sweezey purchased it until it was subsequently acquired by the Beauharnois Power Corporation Limited.

In addition to assuming the above liability, the Beauharnois corporation agreed to pay the Beauharnois syndicate, which was Mr. Sweezey and his friends, $4,750,000 in cash; to assume all their liabilities, and to pay them the sum of $10,000 in cash to wind up the affairs of the syndicate. On the other hand, the Beauharnois syndicate agreed to buy 1,000,000 class A common shares of the Beauharnois Power Corporation Limited at $1 per share, and to pay for the same at the time the syndicate received the above mentioned sum of $4,750,000 in cash from the company. Valuing Class A common shares at the value, placed upon them by Robert Dodd and Company, investment bankers, of $60 per share, we find the Beauharnois syndicate getting class A common stock worth $60,000,000, and $3,760,000 net in cash from the Beauharnois Power Corporation Limited for selling to them the Beauharnois undertaking which I have already mentioned as consisting of the rights and assets of the Robert heirs, which previously had been acquired by Mr. Sweezey.

This value of $60 per share is indicated in a comprehensive and analytical study of the values of the Beauharnois Power Corporation Limited by these investment bankers in the Financial Post of Toronto, which sets forth the value of the securities of the Beauharnois Power Corporation Limited. I have before me, Mr. Speaker, a copy of the Financial Post of April 3, 1930, not very long ago, which contains an analytical study of the values by Robert Dodd and Company, Incorporated, Royal Bank building, Montreal. I desire to read a few of the paragraphs of this particular study.

It will be remembered that I have already mentioned that Beauharnois Power Corporation Limited decided to issue bonds to the extent of $30,000,000, and this is a study of the prospects of this company in regard to the sale of these bonds. The first paragraph which I desire to read is as follows:

A Bond-Share-Warrant Investment

It should be appreciated by investors that to every $1,000 bond is appended five shares of A common stock free; also warrants entitling the holder to purchase twenty shares at $35 per share of B stock, which ranks equally with the A stock, though without voting rights. Neither the free shares nor the warrants may be detached from the bond certificate, until in the case of the bonus stock, October 1, 1932, and in the latter—

That is the B stock.

—from October 1, 1932, to October 1, 1937, therefore the prevailing market value of these A and B stocks is at all times a market equity on behalf of the bond itself.

Now I go down to another paragraph which is important, and which gives an analysis of the earning powers of this company:

Briefly, our analysis discusses in circumstantial detail, the expectations of this 30-year bond-share-warrant investment over a five-year period, when 1,000,000 horse-power should be in operation, and we show with that production-unit (50% of the final objective), an earning power equal to slightly over $4 a share on the A and B shares combined, after all charges.

With this $4.25 earning power per share, we believe a price of $60 a share to be quite conservative, without giving consideration to the investment momentum which will gather force when the public realize the company's industry-building characteristics in the territory adjacent to the Beauharnois operations.

We have another paragraph headed:

Unusual Increment Indicated

The following tabulation considers the market equity of the 30-year bond and its share attachments, if all securities, bond and shares, are held for permanent investment, taking the price of say $60 a share, within a period of 5 years.

| | |
|---|---|
| A $1,000 bond cost.. .. .. .. .. .. | $1,000 |
| 5 free shares valued at $60.. .. .. | 300 |
| Increment on 20 shares at $25.. .. | 500 |
| Market value of $1,000 investment. | $1,800 |

Mr. GARLAND (Bow River): As well as 6 per cent interest.

Mr. GARDINER: And 6 per cent interest. Let me remind the house that these figures are quoted from the Financial Post of April 3, 1930.

Mr. JACOBS: Is the hon. member reading from an advertisement in that publication?

Mr. GARDINER: I am reading from an advertisement issued by Robert Dodd & Company, Incorporated. I would like to direct attention to the following which appeared in this advertisement:

Briefly, our analysis discusses in circumstantial detail, the expectations of this 30-year bond-share-warrant investment over a five-year period, when 1,000,000 horse-power should be in operation, and we show with that production-unit, (50 per cent of the final objective), an earning power equal to slightly over $4 a share on the A and B shares combined, after all charges.

This company has received from this government the approval of plans to carry 40,000 cubic feet of water per second. That amount

of water should produce approximately 500,000 horse power, but this advertisement states that within five years 1,000,000 horse power will have been developed. Under these circumstances Your Honour will understand why we look upon this project as being inimical to the interests of the people of Canada. The advertisement states that the development of 1,000,000 horse power would be only one half of the final objective.

After negotiating this transaction, the Beauharnois Power Corporation Limited entered into another agreement with Newman Sweezey & Company Limited, and the Dominion Securities Corporation, Limited, the details of which are set out in the statement in lieu of prospectus in paragraph 1. I have a copy of that statement should any hon. member desire to see it.

Under this arrangement the Beauharnois Power Corporation Limited agreed to sell $30,000,000 worth of their 6 per cent bonds and 770,000 class A common shares to the above mentioned two companies for $27,000,000 cash. Of the 770,000 class A common shares thus disposed of, 150,000 thereof had to be set aside to bonus the $30,000,000 worth of bonds at the rate of 5 A shares for every thousand dollars worth of bonds. This would leave 620,000 class A common shares in the hands of Newman Sweezey & Company Limited and the Dominion Securities Corporation Limited after the bonds had been bonused. To understand what the result of this agreement is in so far as the corporation and the promoters are concerned, we will continue to calculate the value of these securities as set out in the analytical study by Robert Dodd & Company Incorporated. The 620,000 class A common shares which remain after 150,000 class A common shares have been provided for bonusing purposes, at $60 per share, would amount to $37,200,000. Thus far we have this situation. The company has $27,000,000 and Newman, Sweezey & Company Limited and Dominion Securities Corporation Limited have bonds worth $3,000,000 and 620,000 class A common shares worth $37,200,000. In addition to the above there should be added to the $3,000,000 worth of bonds kept by Newman Sweezey & Company Limited and the Dominion Securities Corporation Limited 15,000 class A common shares as a bonus, each valued at $60, making a total of $900,000. In the final analysis, therefore, Newman, Sweezey & Company Limited and the Dominion Securities Corporation Limited get $3,000,000 worth of bonds and $38,100,000 in class A common shares, and the company gets $27,000,000, an arrangement which cannot by the wildest stretch of imagination be considered in the best interests of the company or of the public. To sum up the whole situation in a few words, Mr. R. O. Sweezey and his associates receive through the Beauharnois syndicate, the Newman Sweezey & Company Limited, and the Dominion Securities Corporation Limited the following:

| | | |
|---|---|---|
| Syndicate.. .. .. .. .. .. .. .. .. .. .. .. .. | Cash.. .. .. .. .. .. .. .. .. | $ 3,760,000 |
| | 1,000,000 class A common shares. | 60,000,000 |
| | | 63,760,000 |
| Newman Sweezey & Co., and Dominion Securities Corporation Limited.. .. .. .. .. .. | Bonds.. .. .. .. .. .. .. .. .. | 3,000,000 |
| | 635,000 class A common shares. | 38,100,000 |
| | Total.. .. .. .. .. .. | $104,860,000 |

In addition they obtain the whole Beauharnois project paid in full by the Beauharnois Corporation Limited, which means that Sweezey and his associates have not one single dollar of their own money invested in this transaction. In other words, for promoting this transaction they receive $104,860,000, the company has some $23,300,000 and in addition has to pay any other liabilities of the Beauharnois syndicate.

Contrast to this the total cost of the entire work as set out at page 39 of Mr. Brown's report —which will be referred to later by one of my colleagues—given at $65,339,750. If we deduct the sum of $16,000,000, estimated by Mr. Brown as being the approximate amount properly chargeable to navigation and to be paid to the company by the Dominion government, we would have a total net cost to the company for power development fixed at $49,339,750, or in round figures $50,000,000.

As the matter now stands the company have some $23,000,000 in their treasury, and to get the remaining $27,000,000 they propose to issue first mortgage bonds of the Beauharnois Light, Heat and Power Company to the estimated amount of $50,000,000. This is established by reference to the prospectus issued by A. Iselin and Company and Wood Gundy and Company Incorporated. This will net them an amount more than sufficient to build the entire undertaking. There will be no need to sell the 3,200,000 class B shares which have an estimated value of $192,000,000.

If these shares were sold dividends would have to be paid and they are now being offered for sale. In other words, we have this situation:

| | |
|---|---|
| Beauharnois Power Corporation Limited | |
| 30-year bonds.. .. .. .. .. .. | $ 30,000,000 |
| Class A shares.. .. .. .. .. .. | 108,000,000 |
| Class B shares.. .. .. .. .. .. | 192,000,000 |
| Beauharnois Light Heat & Power Company | |
| First mortagage bonds.. .. | 50,000,000 |
| Share capital.. .. .. .. .. .. | unknown |
| Total.. .. .. .. .. .. .. .. | $380,000,000 |

Securities outstanding total $380,000,000, plus the shares of the Beauharnois Light, Heat and Power Company, in order to build a project which will cost some $50,000,000 and the entire transaction based and financed on assets for which the Robert heirs received in 1927 $20,000 in cash and 21,000 class A shares at $60 each, or $1,260,000, making a total of $1,280,000.

This is sufficient in itself to justify the rescinding of the order in council which enables Mr. Sweezey and his associates to perpetrate such an outstanding grab of the natural resources belonging to the people of this Dominion, and Canada should follow the precedent established by the people of the state of New York in connection with the Long Sault Development Company, and cancel the charter of the Beauharnois Power Corporation, Limited. The Dominion government has granted this charter. Sweezey and his associates have abused the privileges conferred upon them by the house, which should therefore act at once and cancel their charter.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is, I think, to be regretted that the rules of the house on this occasion prevented the hon. gentleman who introduced the subject from concluding the argument in connection therewith. Because of the forty minute rule it has fallen to my lot to build the second half of the argument on this matter. I remember right opposite me in the very seat which is at present occupied by that tribune of the common people from Saskatchewan, the hon. member for Weyburn (Mr. Young), there sat last year another tribune of the common people, this time from Quebec. When we were then discussing a subject of this kind, that man, turning to the Prime Minister (Mr. Mackenzie King), said: "It would be a blessing to the people of Canada if the Prime Minister would show the gate to some of the gentlemen who compose the big interests, the Beauharnois crowd and all the rest of them." A good chief bouncer, he said, was what the government needed.

Mr. MANION: Who said that?

Mr. GARLAND (Bow River): The hon. member for Labelle (Mr. Bourassa). In emphatic terms he made reference to this question last year, at the very time that the negotiations in respect of the application of the Beauharnois people were taking place. The hon. member for Acadia (Mr. Gardiner) has placed before the house a picture of a colossal financial structure built up on one of the most valuable natural resources of the people of Canada, bult up only by virtue of rights granted the company by the Dominion government under order in council. We have in that structure an example, not only of financial brigandage in its extreme, but of the old situation of interlocking directorates to which reference has been made in past years. On looking at the board of directors of the company, I find the following names:

Hon. W. L. McDougald, M.D., president of the Harbour Commissioners of Montreal.

I think he is a senator.

R. O. Sweezey, Esq., president of Newman, Sweezey and Company, Limited.

This company has apparently profited immensely in the financial transactions of the Beauharnois corporation to date.

A. F. White, Esq., vice-president of the Canadian Bank of Commerce.

Aimé Geoffrion, Esq., K.C., director of the Canada Life Assurance Company.

Mr. Geoffrion is one of Sir Herbert Holt's able counsellors.

J. H. Gundy, Esq., president of Wood, Gundy and Company Limited.

Where have we heard that name before, even in the house? Gundy is Holt's partner in many of his firms.

G. H. Montgomery, Esq., K. C., director of the Montreal Light, Heat and Power, Consolidated.

I will speak of him a little more later. This company is another Holt concern.

S. Godin, junior, Esq., director of British Columbia Power Corporation, Limited.

He was formerly a secretary to Sir Herbert Holt.

Miller Lash, Esq., K.C., president of the Brazilian Traction, Light and Power Company, Limited.

Hon. P. J. Paradis, director of Quebec Power Company.

M. W. Wilson, Esq., general manager of the Royal Bank of Canada.

Holt, by the way, is president of the Royal Bank of Canada. Thus we observe a board of directors unquestionably "Holt" in character, and yet in it are the necessary political influences, the necessary financial influences to

which Mr. Sweezey referred in his letter to the brother of Senator Raymond, Mr. Alderic Raymond, which letter was quoted by the hon. member who preceded me.

There was associated with this company in the earlier stages of its activities a gentleman named Jones. Jones, I understand, was president of the Canada Cement Company. He was a rather famous gentleman at one time and possibly still is. In the newspaper despatches last fall, the public learned that Mr. Jones had departed out of this country and had taken with him, it is alleged, the sum of $3,500,000. Search as we may, we can find nowhere any record of any service that Mr. Jones rendered the company to justify the payment of this $3,500,000. It would be immensely interesting to know to what purpose that amount of money was put. What has happened to it? Above all, what has happened to Mr. Jones? He has, so far as I am informed, not been seen in Canada since. I do not know where he has gone, but my information is that he is not in Canada at the present time and he has not been here since this transaction took place.

Thus you have the plan: first, acquisition of property as cheaply as possible; second, the creation of a gigantic capital structure for the purpose of exploiting the public, and third, the securing of the necessary political influence to bring political pressure to bear in the matter. The structure pictured by my predecessor in this debate, the obvious intention to create a gigantic public steal in connection with the matter, constitute justification for the conclusion of the hon. member for Acadia that the incorporation of this company should be cancelled. Is there a precedent for this? I find one in the case of the Long Sault Development Company, a United States concern which commenced operations and spent, it is stated, more than $1,500,000. Their charter was cancelled for reasons given subsequently by the state of New York from the government of which they had secured their charter. Amongst the grounds for the attack on the company was that it was overcapitalized. This, of course, was not the only ground upon which cancellation was granted, but it was one of them. In the proceedings in connection with the cancellation of this charter an examination of some witnesses took place. One witness, a Mr. Freeman, was examined. The examination appears in the report of the Commission of Conservation of Canada, 1913, which I have under my hand and at pages 83 to 84 the testimony of this gentleman will be found. The statement is made:

[Mr. E. J. Garland.]

You cannot finance a water-power project of this kind in a locality like that without putting in various other elements and speculative elements in the way of common stock and preferred stock and brokerage and percentages to the underwriting syndicate.

Then follows the examination:

Mr. Littlefield: Do you mean to say that you do not think you could handle this proposition without the familiar process of overcapitalization, and watering of stock?

Mr. Freeman: I do not know that it is overcapitalization.

Mr. Littlefield: Some people think it is! The issuing of stock without anything but the expectation or the hope of successful speculation. Is that right?

Mr. Freeman: Yes.

Mr. Littlefield: Instead of its being watering of stock, it is issuing stock on the hope of a successful speculation?

Mr. Freeman: Capitalized hope?

Speculation by corporations upon the hopes and desires of the unwary and deliberately deceived public is not an unfamiliar practice in modern financial and commercial business.

It is interesting to learn that this new corporation, getting great rights from the Dominion government, is carrying out true to form this now time-honoured principle of exploitation. The question for us to decide is this: Is parliament going to sanction a speculative enterprise of this gigantic form of financial brigandage? "Capitalized hope"? What a tragic mockery! Here you have the Beauharnois Power Company with 500,000 horse-power, and with the expectation that they are going to get the balance, or 2,000,000 horse-power in all; and capitalizing the expectation of getting the 2,000,000 horse-power, they are selling to the innocent public of Canada stocks and bonds based upon their intention to acquire that 2,000,000 horse-power. There again is one further reason for the cancellation of the charter of incorporation of this company.

I now come to a new stage in this discussion—to the plan to acquire the whole flow of the St. Lawrence river. The members of the house must have been staggered by the financial picture which has been placed before them by the hon. member for Acadia, and they can now hardly be in a position to receive without absolutely falling over mentally the suggestion that it is the deliberate intention of the corporation to secure the entire flow of the St. Lawrence river at this section and to put that flow through an artificial river. Do the members of the house want the proof? I have the proof for them. I turn to the report of the engineers, Mr. Frederick W. Brown, asisted by Mr. W. S. Lee and T. H. Hogg. Their first report was made in 1927, and from that I shall make just a few quota-

tions. I have pages of extracts from it, every single extract supporting the contention that the intention of the corporation in 1927 was to get the whole flow of the river. On page 1 of the engineers' report we find this:

The initial installation is designed for the use of a daily average flow of 40,000 cubic feet per second, and the designs provide for the ultimate extension of the power development and navigation provisions, so that finally the whole flow of the St. Lawrence river could be used through the proposed power canal (or, rather, at that stage, the artificial river).

On page 7 of the same report we find this:

Later when the proposed waterway is enlarged, from time to time as required, additional remedial works could be placed in the river and the existing interests compensated, and finally the whole flow of the river could be diverted through the new artificial channel.

At page 8 we find:

The new waterway should therefore be designed for an ultimate peak flow in excess of 200,000 cubic feet per second.

A flow of 200,000 cubic feet per second takes approximately the whole flow of the St. Lawrence at that section of the river. I have pages and pages of quotations from the report of 1927 substantiating that contention, but there is no need to weary the house with them.

Now I come to a further report made by Mr. Brown, the engineer, in 1928. He not only confirms the statements made in the 1927 report, but in a letter introducing the report I find the following:

Briefly I conclude that the project as outlined in my previous report can be extended so that finally the whole flow of the St. Lawrence river could be used through the proposed power canal, and, if lake Ontario be regulated as proposed, the ultimate installation might be about 2,000,000 horse-power for commercial use including spare equipment.

The report itself contains paragraphs on pages 1, 2, 3, 5 and 7, all confirming that statement. On page 13 there is a summary of the conclusions of Mr. Brown, in the course of which he says:

If the whole flow of the St. Lawrence were used there the proposed waterway—

Indicating the intention to do it. Then in paragraph 2 I find:

Additions can be made to the proposed initial use of water by enlarging the waterway and power plant.

In paragraph 3—but there is no need to weary the house further. So much up to the year 1928.

Now I come to the year 1929, the fatal year, the year in which these valuable resources were alienated definitely from the people of Canada. In the year 1929 these interests appeared before the government of this country and applied for certain rights. In their original application they used these words:

That concurrently with the installation of such locks the company shall have the right to enlarge its canal and to divert through it and utilize for the development of power all the flow of the St. Lawrence river between lake St. Francis and lake St. Louis with the exception of water required for flotage through the existing Soulanges canal, and with the exception of that quantity of water to the user of which existing power plants are now legally entitled.

In their first application to the government they ask for all of the river, but owing to the pressure of various interests, international as well as national in character, owing to the magnificent case made out by many others, this tremendous steal was for the moment stopped. The applicants had to amend their application, and the order in council which was finally agreed to reads as follows:

The application of the Beauharnois Light, Heat and Power Company now pending before the governor in Council is purely and simply for the approval of plans for hydraulic development which will be subject to a condition that not more than 40,000 cubic feet per second shall be diverted from the river.

That is a clear indication that the interests, and there were many of them—municipalities all over the province of Ontario, interests in the United States of America, navigation and marine associations, our own people in Canada—all were opposed to this Beauharnois scheme and they registered their opposition to it. In fact, almost everybody that I can think of made a protest. Then what happened? The application is reduced to 40,000 cubic feet per second. That is all that the government granted, a flow of 40,000 cubic feet per second.

By the way, there appeared before the private bills committee of the Quebec legislature a gentleman named Montgomery, to whom I have already made reference. At that time this gentleman represented some interests in Montreal who were definitely opposed to this scheme, and in the course of his statement on February 29, 1928, before the private bills committee of the legislative assembly of the province of Quebec, Mr. Montgomery, K.C., said:

Last year when we came down here there was not even a plan before the house; the idea was to grab the rights.

I submit that the promoters of the scheme have only modified to some slight degree their plans in order to meet the opposition, and they have succeeded in grabbing everything that they require. My evidence in support of that is contained first in the statement to which my hon. friend from Acadia has referred. I have in my hand an analytical study of the Beauharnois Power Company

prepared by Robert Dodd and Company, the first paragraph of which reads:

In a review of the hydro-electric power situation in the provinces of Ontario and Quebec upon which we have been engaged for the last six months, the data secured has warranted our implicit belief in the inherent possibilities of great market increment being assured for the securities of the Beauharnois Power Corporation, with its prospective 2,000,000 horse-power development on the St. Lawrence river.

They can only develop 2,000,000 horse power if they get the whole flow. If they get those rights, whether from this government or the Quebec government matters not, if they get the rights to move that water through the canal, they get the entire flow of the river.

As I said earlier, I find that in making their offerings of securities to the public they are deliberately and maliciously deceiving the public unless another contingency, to which I will refer later, arises. They say:

It will be observed that our analysis discusses in circumstantial detail the expectations of this 30-year bond- share-warrant investment over a five-year period, when 1,000,000 horse-power should be in operation; and we show with that production unit, which is 50 per cent of the final objective, an earning power equal to slightly over $4 a share on the combined common stock outstanding.

I find in that same analytical study other clauses concerning additional capital reductions, another reference in column 2, and a third on the second last page, all of them confirming the foregoing. My time is limited and so I cannot quote them all. I find confirmation of these statements in the statement in the Financial Post. I pass that over. I find it in an excellent editorial on St. Lawrence power costs which appeared in the Toronto Daily Star of Tuesday, January 14, 1930. The editorial was evidently inspired by the presence of Mr. Sweezey in the city or by a speech which he made. This is the first paragraph:

An interesting suggestion was made by Mr. Norman Sweezey, president of the Beauharnois Power Company, in the speech he made last week. . . . .

The combined plans enable the company to develop 500,000 horse-power at reasonably low capital cost and if, at a subsequent date, the company should be authorized to use the whole flow of the river, as is likely, the capital cost per horse-power will become extraordinarily low.

I have referred so far only to an editorial and to some analytical studies, the latter, it is true, made by a responsible financial house of some standing in this country. That is not enough, and I am not satisfied to base my case on evidence of that character. Therefore I intend to go further. I take the prospectus of the Dominion Securities Corporation, Limited. It is true they are allies of this general outfit. The Dominion Securities Corporation, Limited and Newman, Sweezey & Company, Limited, are the two companies that secured this tremendous and very profitable transfer of $30,000,000 bonds and 770,000 class A stock for $27,000,000—a pretty nice deal for anybody. I have another prospectus by A. Iselin and Company, connected with the Dominion Securities Corporation and Wood, Gundy and Company. I have a third prospectus issued by Wood, Gundy and Company themselves. Mr. Gundy is a director of the concern. The Dominion Securities Corporation are directly interested in the concern. All of them put out the following statement in their respective prospectuses:

It is estimated that the unallocated balance of about 100,000 cubic feet per second, if passed through the company's canal would permit installation of approximately 1,000,000 additional horse-power. The company's proposed development, in the opinion of its engineers, is the most efficient method of utilizing the entire drop in this section of the river. In view of the above, provision is made in the plans and considerable work is now being done with a view to installing further units if additional water becomes available.

This is contained in the prospectuses. But what is it? It is a letter three foolscap pages in size, headed "Beauharnois Power Corporation Limited, Montreal," and is dated December 2, 1929. Why, the ink was hardly dry on the order in council passed only a few months previously when this letter appears and becomes part of their bond-selling campaign. It is addressed to Newman, Sweezey & Company, Limited, The Dominion Securities Corporation, Limited, and Wood, Gundy & Company Limited, and it is signed by R. O. Sweezey, president of the Beauharnois Power Corporation Limited. Mr. R. O. Sweezey takes responsibility for saying: first, that work is now being done—and second, that the plans have been altered with a view to putting through the canal more than the amount of water they secured the right to put through from the Dominion government and the legislative assembly of Quebec—much more. The entire flow of the river is their obvious intention.

Now, Mr. Speaker, I ask this question: Is it believable that these firms with their reputation built up in this country for a fair measure of truth and honesty in dealing, men whose future will depend on the integrity of their actions, the truth of their statements, and not only the truth of their statements but the truth of the implications in their state-

ments—is it conceivable that these men would be guilty of deliberate misrepresentation amounting to fraud? To me it seems inconceivable. I can hardly credit that the Dominion Securities Corporation, A. Iselin & Company, Robert Dodd & Company and several others—I need not bother to specify them—I cannot conceive that these great financial houses would be guilty of this deliberate fraud, for it is nothing short of that if there is no truth in the expectation of securing the entire flow of the river. So I ask this question of the Prime Minister of Canada: Is there an agreement secret or otherwise? The right hon. gentleman need not answer at the moment because my time is limited.

Mr. MACKENZIE KING: I know absolutely of none. There is none.

Mr. GARLAND (Bow River): I ask the leader of the opposition: Is he aware of any agreement between his own party and these interests in connection with the matter?

Mr. BENNETT: I am delighted to inform the hon. gentleman that all this is largely news to me. I have no agreement, secret or otherwise, in respect to the matter.

Mr. GARLAND (Bow River): Now, Mr. Speaker,—

Mr. JACOBS: I think you might put the same question to the leader of the Progressive party.

Mr. GARLAND (Bow River): Your declaration is not important, but we will assume you are honest in the matter; the obvious answer is no. Now, Mr. Speaker, we have the situation that the heads of the two political parties in Canada that are likely to have power in this house deny that any agreement exists under which, or because of which, or by reason of which these people would be justified in assuming that they will become possessed of the entire flow of the river. Then I say, Mr. Speaker, these firms are guilty of deliberate misrepresentation.

Mr. CHURCH: They should be prosecuted.

Mr. GARLAND (Bow River): They are guilty of deliberate misrepresentation, and the Department of Justice of this Dominion should, in my opinion, take definite action immediately in regard thereto. Furthermore, if Sweezey, the president of this organization, is responsible for the statements contained in these prospectuses, then I say the incorporation should be cancelled and the rights which the Dominion have granted to him should be withdrawn.

Mr. BENNETT: May I ask the hon. gentleman a question?

Mr. GARLAND (Bow River): Yes.

Mr. BENNETT: I think I heard him say that the expenditure was limited to $18,000,000 for the canal between the two lakes.

Mr. GARLAND (Bow River): I did not say that.

Mr. BENNETT: Perhaps it was the hon. gentleman who preceded him.

Mr. GARLAND (Bow River): I did not make a full statement of the actual financial structure. I have now shown the intention of the Beauharnois Power Corporation to secure the whole flow of the river; Both political parties repudiate any agreement in connection with the matter; I have shown that in the absence of agreement there is deliberate misrepresentation of the situation in respect of this company. I demand definite action by the Department of Justice.

I come now to the next stage. By the way, it is interesting to note that these gentlemen have overlooked nothing. Not content with the steal they are prepared to make by misrepresentation—I must assume it is that now—not content with the steal they are preparing to make by virtue of the overcapitalization with its watered stock, they are going further, and hon. gentlemen will be astounded by the story. It will be necessary, you see, to transmit the power from the buss bar to the industrial plants in different parts of the country, and so they have organized a transmission company to take care of that—not for the purpose, I assume, of losing money. They have also organized a construction company. What for? I pressume to build the canal. How are they going to get the money for the construction of the canal? By the issue of bonds. Who is going to pay for the canal? The public. It is all very easy. The next stage is to have a land company. Why? Because real estate values in the vicinity of the canal will likely advance if they have control of the water power. They want to get industries there, and they are asking them to come there now. They will have control of the Beauharnois townsite; they will have control of this place and that place, and they expect to be able to make very considerable accretions to their real estate value. They have established a land company to handle that part of the project, and to buy more land on a speculative basis. The final subsidiary company interested in this enormous octopus is a railway company. I do not know what that railway company will do, but there you have them all. These are all based upon the parent body incorporated under Dominion charter, and it may be that bonds issued by all these concerns may become prior rights on

the earnings of the bonds of the first corporation. I do not wish to deal at length with that part of the question because my time is running to its close. Let me revert however to the letter written by Mr. Sweezey. In part, he said:

In view of the above, provision is made in the plans—

Note that, that provision is made in the plans.

—for the diversion of the entire flow of the river.

But we learn from the Dominion government, through its Minister of Public Works, that only 40,000 cubic feet per second can be used, and we learn that in the lease granted by the legislative assembly of Quebec only 40,000 cubic feet can be used. Yet we find this man coming out and saying definitely in a public letter that the plans have been altered to make it possible to secure control of the whole flow. In view of this deliberate violation of the order in council, and of the spirit and letter of the order in council, I ask that it be rescinded by the prime minister, and I think I am making a fair request. That is not the only violation in respect to the plans; we are told in the same letter that considerable work is being done and money is being spent with a view to taking the whole of the river and producing 2,000,000 horse power. The fact that it is in the future makes no difference; the principle is at stake. Either the order in council must be rigidly adhered to both in letter and in spirit, or that order in council must be rescinded. On behalf of the people of this country I ask that this order in council now be definitely rescinded; and if any legal grounds can be found for cancellation of the charter of incorporation I ask that it be revoked. To my mind this is one of the most appalling steals that has ever taken place in Canada.

I have one further reason for my stand—the effect upon the whole of the St. Lawrence scheme. In 1926 a joint board of engineers issued a report which I have in my hand. The board consisted of six engineers, three of whom were appointed by the United States and three by Canada. They went into every possible detail as to the construction of a great St. Lawrence waterway, and after their deliberations they made their report. I refer particularly to the report as it affects the Soulanges section, and which is contained in pages 35 to 38. The main report is embodied in the opening chapter, and the appendices carry other detailed information and refer to other representations which have been made. I find in this report that the engineers considered a plan which is equivalent to the Beauharnois project, and they pushed it to one side; they did not favour such a plan, but they favoured the choice of two others. They favoured either the development of the Soulanges canal section or further river development. On page 36, at section 162 of the report, I find this paragraph:

162. Improvement of the river for navigation and power, Soulanges section: The board finds that it is practicable and advantageous to combine the improvement for navigation in this section with the development of power on a progressive program of construction of power plants, only the first part of the power development being undertaken in conjunction with the works required to carry navigation through the section.

163. In brief, this plan provides for a dam at the head of the Cedars rapids—

The report goes on for several sections, but I shall not worry the house by reading the detailed description of the project. That project is not the Beauharnois project, it is not the one on the south side of the river. Then at page 38 I find that three proposals were made:

(a) A lateral canal on the south side of the river—

This is similar to the Beauharnois plan. Then under section (b) there is mention of a lateral canal on the north side of the river, and in section (c) there is a proposed river improvement. Under the heading "conclusions" I find the following:

The board unites in the view that the navigation improvement combined with the progressive development of power (paragraphs 162 to 169) hereinbefore set forth better provides for the present and future development of the waterway than any scheme for navigation alone, and is therefore a desirable scheme, if arrangements are made whereby power interests bear a fair proportion of the cost of the initial expenditure required.

I might explain that paragraphs 162 to 169 inclusive refer to the plan for the north side of the river.

In section 176 we find a statement which may at some future time prove to be the chief excuse for departure from the unanimous report which I have just read. Section 176 is as follows:

If it be found impossible to arrange for such cooperation in meeting the initial cost, a majority of the Canadian section—

I would ask hon. members to note the expression "a majority of the Canadian section." That would mean two out of three. The section goes on to say:

—favour the construction of the lateral canal on the south side of the river.

Only two out of three Canadians, and two out of six engineers, which is the total number

of engineers on the joint board of engineers. The evidence is that the government of this country departed from the definite unanimous recommendation of the joint board of engineers. They alienated to a group of private individuals whose story has already been related the Dominion rights in regard to this section. I can say further that the Brown engineering reports, both the one of 1927 and the one of 1928 upon which the application to the Dominion government is based, embodied within their pages many paragraphs which reflected an inability to arrive at definite conclusions in many important matters. I could quote for an hour paragraphs that would say in effect:

> While this equation and the levels to be derived from it may not be absolutely correct for the range of levels for which the first remedial works were designed, and while it is possible that beyond these levels it may not be accurate, it is moderately certain that for the present case it is as accurate as can reasonably be expected.

All through the report there is vagueness and uncertainty. On the other hand, we have the report of the joint board of engineers, which is definite and conclusive. There should never have been alienation of a single section of this river. It is a great international waterway and nothing should have been done until the plans were completed for the entire development and until they had been agreed upon by the governments and the interests concerned. I have come to that conclusion because this is not a river in the same sense as the Ottawa river or the Peace river; it is an international stream. I am not a lawyer, but I doubt very much whether the Navigable Waters Protection Act can apply with the same force and effect in reference to the St. Lawrence river. It is more than a river; it is a great international boundary line of waterways. Other countries have rights on the river; we are tied up by two treaties in this connection with the United States. I am informed that France still retains certain rights and that Great Britain has certain rights. The St. Lawrence might be called the jugular vein of Canada, stretching from the sea to the middle of the continent, and the waterway scheme is now being jeopardized by the alienation to private interests of these Dominion rights. I make this statement because the joint board of engineers recommended that power should be used in helping with construction in the canalization. The government have alienated a part of the section without providing for the other sections, and have definitely jeopardized the scheme. A second reason, as I said before, is that they have definitely departed from the plan of the joint international board.

Now it will take me just about one minute to sum up. First, I find that there has been gross over-capitalization of this company by greedy, calculating, cold-blooded promoters, who stop at nothing, not even the exercise of political influence, as stated in Sweezey's own letter to J. Alderic Raymond. I find further that he is guilty of statements to the public in a letter, which is public, that would lead us to conclude that he has violated the terms and spirit of the order in council. I find that there is deliberate misrepresentation amounting to fraud in the prospectuses issued by his associates in their different companies; by Gundy, one of the directors; by Sweezey, president of the corporation and one of the interested gentlemen in Norman Sweezey and Company, and so on. Finally, I find that this alienation jeopardizes the whole future of the St. Lawrence.

For these reasons and others, Mr. Speaker, which I could enumerate if time permitted, I ask that the government now rescind the order in council and, if legal provision can be made, cancel the incorporation of the Beauharnois corporation.

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, I have listened with great interest to the very carefully prepared addresses of my hon. friends who have already spoken on this question. May I first of all express to the leader of the Progressive group (Mr. Gardiner) my apreciation of the fact that before lunch I was handed a memorandum which gave me some idea of the arguments which he proposed to submit to the house this afternoon. For the opportunity that I had of considering the question for a few moments before the house opened I want to thank my hon. friend.

May I first of all endeavour, as briefly as possible, to point out to you, Mr. Speaker, what was the position of the company at the time the application for approval under the Navigable Waters Protection Act was presented to the department over which I have the honour to preside. First I should like to refer to one remark made by the hon. member for Bow River (Mr. Garland) in which he stated that the Navigable Waters Protection Act, in his opinion, cannot have reference to a river like the St. Lawrence.

Mr. GARLAND (Bow River): No, I did not say that; I said with the same force and effect as it would have to other rivers. There is a question in my mind as to that.

Mr. ELLIOTT: I just want to say to my hon. friend that if he will read the act carefully he will see that it was intended that it should apply to the St. Lawrence river with

regard to everything except bridges over that river. That is made clear by section 11, which states that no approval shall be given to the site or plans of a bridge over the St. Lawrence river. I submit that this makes it perfectly clear that this is the only exception with reference to the St. Lawrence river.

Now, what was the origin of this company? I do not intend to go into the details which my hon. friends asked to be laid on the table of the house weeks ago. All the material for which they asked, giving all the information in the possession of the government and particularly of the Department of Public Works with regard to this matter, was placed before them. The Beauharnois Light, Heat and Power Company, incorporated under a charter from the province of Quebec, made an application to the province of Quebec for a lease, which application was granted. I should like just to direct my hon. friends' attention to the terms of that lease. That was a lease of "the rights of the province of Quebec to such part of the hydraulic powers of the St. Lawrence river that could be developed between lake St. Francis and lake St. Louis through a diversion canal on the right (southern) shore, having a maximum flow capacity of 40,000 cubic feet per second." The province reserved the ownership and the free disposition of the surplus. That was a lease of "the rights of the province of Quebec," not the rights of the Dominion of Canada, and since my hon. friend has studied carefully the order in council which was passed and which was tabled in this house the day it was passed, namely March 8, 1929, he will see that the order in council makes it perfectly clear that the permission to divert the water applies only to such rights to that water as are owned by the province of Quebec. That is the first point.

They come to the department with a lease from the province of Quebec of rights of the province of Quebec to divert certain water, which must belong to the province of Quebec under that lease. They propose to divert it in a certain way, and under the Navigable Waters Protection Act the duty of the department is to look at the plans under which that diversion is proposed and say whether or not they affect navigation. It is not a question of property rights but a question of navigation of the particular stream in which these waters flow. That was the position when they came to the department.

Notice of the application was advertised at length, and as it was a matter of special importance a hearing was given to which all the interested parties were invited to come and make their representations. The representations made at that hearing were, in most cases, not representations objecting to the granting of the approval of these plans, but were largely arguments from another company, which afterwards put in an application saying that if they were given approval of a somewhat similar scheme they would put in the locks as well as dig the canal. I believe the evidence taken at that application, if carefully read, will absolutely convince my hon. friends that those were the main objections made at that time.

Mr. GARLAND (Bow River): May I suggest that there were also objections presented by international bodies, by marine associations, by navigators and by others. I have all the files in the matter, and I know there were many more than those two or three companies specifically interested.

Mr. ELLIOTT: I think my hon. friend is quite right as to the number of associations which were present. The marine association and the various other associations to which he has referred directed their attention very largely to the fact that at that time they proposed eventually to get the whole flow of the river, and they could not agree to that proposition. That was the main objection, and it was made perfectly clear to the applicants on that occasion that an application for the whole flow of the river would not be granted. They presented an amended application, asking for only the 40,000 cubic feet per second as the total amount to which they should be entitled.

That is the proposition which was passed upon by the department under the Navigable Waters Protection Act. Section 4 of the Navigable Waters Protection Act reads:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unles the site thereof has been approved of by the governor in council, nor unless such work is built, placed and maintained in accordance with plans and regulations approved or made by the governor in council.

I appreciate the fact that no criticism has been offered as to the conditions imposed. Every precaution was taken, but we were passing only upon rights which the province of Quebec had the right to give to the applicants. The order in council and the contract based upon that order in council provide that if at any time it is found that any waters sought to be diverted by this scheme do not belong to the province of Quebec but belong to the Dominion, then the approval does not

have effect. There is a right to cancel the approval and to take over any works which have been constructed thereunder.

What my hon. friend has said with reference to the finding of the joint board of engineers is not quite accurate. Section 22b of that report reads:

In the Soulanges section (second division), the board recommends a scheme for navigation correlated with a progressive development of power instead of a side canal for navigation only.

Section 176, which my hon. friend quoted, reads as follows:

If it be found impossible to arrange for such cooperation in meeting the initial cost, a majority of the Canadian section favour the construction of the lateral canal on the south side of the river (Melocheville-Hungry bay project) which is the least expensive means of providing navigation.

A lease had been granted by the province of Quebec and the lessees came to the department asking for approval of the plans under which the waters covered by that lease were to be diverted. It was considered to be a matter of urgency, and there was taken into consideration the fact that the water to be diverted was not in the right of the Dominion, but rather in the right of the province of Quebec. The charter and lease had been granted by the province of Quebec. The question was whether or not the diversion proposed might affect navigation, and the Department of Public Works were called upon to consider that question. The department said in effect: Navigation will not be prejudiced, injured or detrimentally affected by diverting 40,000 cubic feet per second of water in a canal, providing the canal is of a certain type. Those familiar with the evidence know that at that section navigation is very difficult, and the type of canal which the Department of Public Works said must be constructed in order to divert the water was declared to be a canal 27 feet deep, 800 feet wide at the top and 600 feet wide at the bottom. The department said to the applicants, "If you divert that water through a canal of that type and give to the Dominion of Canada the use for all time of that canal, then it will approve your plan and not otherwise."

I do not know that it is necessary for me to go into the financial aspect of this situation; I think that has changed entirely since approval was given on March 8, 1929. I will state quite frankly that I was not familiar with the individuals who constituted the corporation at the time application was made, nor am I familiar with the present personnel of that corporation. This matter was considered on its merit and with the greatest possible care, and we were called upon to pass upon an engineering proposition in which the best other engineers available, along with the engineers of the department, advised that not only would navigation not be prejudiced by this water being diverted in a canal of the dimensions provided for, but that we would have better navigation than was possible with the river in its natural flow, as a matter of fact we would have one of the best navigation canals in the world.

The agreement provides further:

Whenever the governor in council so declares the right of public navigation within and along the proposed canal or any portion thereof to the same extent and in manner similar to that provided in the case of the new Welland ship canal shall thereafter exist and be recognized by the company.

My hon. friend was good enough to provide me with a copy of his notice, which reads:

The government has approved of the above development by passing order in council P.C. 422, March 8, 1929, and in so doing the government has not accepted the plan for this undertaking recommended by the joint board of engineers, dated November 16, 1926.

I have already answered that by saying that the majority of the Canadian section were favourable to a scheme similar to that provided for in section 176. The notice states further:

and in so doing have committed acts which justify a demand for an explanation by the government as to whether or not there is an agreement between the government and R. O. Sweezey and his associates who own and control the said company and corporation whereby the whole of the unallocated portion of this section of the St. Lawrence river will be turned over to them for exploitation.

It is unnecessary to conduct any investigation to find out whether or not such an agreement is in existence—there is no such agreement in existence and no such agreement has been applied for by the parties connected with this matter.

Mr. GARDINER: Is there any understanding?

Mr. ELLIOTT: No understanding, and it was to prevent the possibility of any misunderstanding that it was made perfectly clear at the time of the hearing. As my hon. friend has said, the first application suggested the possibility ultimately of the diversion of the whole flow of the river, but that was refused. It was made perfectly clear that the application had to be changed so as to have it understood that only 40,000 cubic feet per second was proposed to be diverted.

Mr. MANION: Had that first application for the diversion of the whole flow been accepted by the province of Quebec?

Mr. ELLIOTT: I do not think it had ever been made to the province of Quebec. We had before us from the province of Quebec only the lease of the 40,000 cubic feet per second. It is not necessary for me to repeat. We were dealing at that time with the application for approval of plans for the quantity of water permitted to be diverted under that lease, but it was made abundantly clear that that must be limited for the purposes of the company to the 40,000 cubic feet per second. That is the answer to that portion of my hon. friend's question.

I have already given the reasons for the departure, if you can call it such, from the terms of the recommendations of the joint board of engineers. We granted approval of a policy which the majority of the Canadian section advised.

Mr. MANION: The minister says that the province of Quebec had granted the diversion of 40,000 cubic feet per second. Do I understand him to say that the company then applied to the Dominion government for the diversion of the whole flow?

Mr. ELLIOTT: Their application was worded very broadly and it contained a clause providing that the applicants would put in the locks and other works necessary in addition to digging the canal, if they were allowed to take the whole flow of the river. Of course that was definitely refused.

The findings of the joint board of engineers were submited to the Canadian national advisory committee. I think my hon. friend has before him the details of the proceedings before that committee and will know what I am stating is correct. On January 11, 1928, that committee made certain recommendations which will be found on page 19, section (4) of the report entitled "St. Lawrence Waterway Project." They recommended the development of the national section "by private agencies able and willing to finance the entire work, including the necessary canalization, in return for the right to develop the power."

Mr. WOODSWORTH: Will the minister give us the personnel of the national advisory committee?

Mr. ELLIOTT: Mr. W. E. Foster was the chairman. I do not know that I have before me but I would be glad to supply to my hon. friend the names of the advisory committee. Mr. Foster as chairman signed the report to the Prime Minister, that is the report to which I am referring, and in section (4) they say:

[Mr. Elliott.]

We believe that if a reasonable time were permitted in which to enable the resultant power to be economically absorbed the development of this national section would be undertaken by private agencies able and willing to finance the entire work, including the necessary canalization, in return for the right to develop the power.

I am not going to enter into the reasons which are possibly somewhat international, as to why a certain section of the Canadian portion of the joint board of engineers favoured development on the Canadian side. Two out of three of them believed that was the better course, I think in the general interest as well as in the interest of Canada in particular.

Mr. BENNETT: That is the same view which Mr. Sweezey put forward in Hamilton the other day.

Mr. ELLIOTT: I am really not familiar with the view he has put forward, because I have not followed the matter in that way any more than I have followed the financial arrangements of the company.

Regarding the objections raised by my hon. friends, I think they are addressing them to the wrong tribunal. The province of Quebec claimed the right to lease this water. If the province has not that right, it does not pass under the order in council. If it does have that right, the province is the jurisdiction which has power to say whether or not the water flow should be leased. We have passed upon what came before us, exercising the jurisdiction which we were bound to exercise one way or another under the Navigable Waters Protection Act.

Mr. GARLAND (Bow River): Why, in view of all this, did the minister and his government not await a definite plan for the completion of the whole St. Lawrence scheme?

Mr. ELLIOTT: We were dealing in this case with waters that did not belong to the Dominion. If we felt that the interests of navigation were being prejudiced, we could, I suppose, have refused to approve these plans, but under the Navigable Waters Protection Act, what was left to us was to say whether or not the plans as submitted to us would interfere with navigation. We were bound to decide that question and after very careful consideration we came to the conclusion, on the recommendations of the engineers, that not only would they not interfere with navigation, but they would aid navigation and give us in that section of the river a canal which would be a great improvement on anything in existence at the present time, indeed, adequate canal facilities, the very best that could be provided.

I would say also that this order in council was not passed until the decision of the Supreme Court of Canada, to which a reference was submitted as to the rights of the Dominion and the province, was given.

Mr. GARLAND (Bow River): Were the findings of the supreme court definite, complete?

Mr. BENNETT: The order in council says that they were not.

Mr. ELLIOTT: They were not; of course they left somewhat unsettled the question whether or not the province of Quebec had a right to this water, and we said: This approval applies only if the province has the right.

Mr. G. R. GEARY (South Toronto): Mr. Speaker, I have followed the argument of the Minister of Public Works (Mr. Elliott) and if he will allow me I shall deal more or less categorically with the different points he has introduced before making some observations I have in mind to make. My hon. friend reads the Navigable Waters Protection Act and draws from a perusal of section 11 a conclusion that that act applies throughout to the St. Lawrence river. In other words he says, because the act expresses an exception in regard to bridges, it includes, by reason of making that very exception, the right to deal with the St. Lawrence river in every other particular. I do not follow the minister there. Of course, this act as far as it is sound, as far as it is constitutional, will have effect in the St. Lawrence. No one will deny that the Dominion government in connection with a harbour, for instance, or some work on the Canadian shore would, if the matter came before the governor in council, have jurisdiction to deal with it. But my hon. friend will be good enough to remember this. In stating what he did, he has missed the whole point of the argument of my hon. friend from Bow River (Mr. Garland); that is, that in respect to the national right of navigation in a boundary water that is international, the Navigable Waters Protection Act has no application. My hon. friend may say that this is not an international boundary water inasmuch as at the very spot with which we are dealing the St. Lawrence passes entirely through Canadian territory. That, to say the least, is a moot question. It was not a lawyer, but an authority whose report has been frequently quoted and whose conclusions have been generally accepted, Mr. Holgate, who made a report in 1915, and says at page 19 of that report, after reciting the treaty with the United States and other treaties in connection with this matter:

> It is therefore quite clear that the St. Lawrence river is an international highway from the Great Lakes to the sea, and that neither country, following the spirit of the various treaties, could do anything to the detriment of the other country in so far as the navigation of the river is concerned.

That, I take it, is the point of my hon. friend from Bow River, and one cannot get away from that by interpreting, through the reading of one section excluding a certain thing, that the rest of the act does apply to the St. Lawrence river and that you may deal with it in the manner which has been under review. My hon. friends opposite have acquiesced in that position because when it came to a question of the diversion of water from the Niagara river, they did not attempt, although obstructions were placed in the stream, to say that that should be a matter under the Navigable Waters Protection Act. They very properly entered into a consideration of it through a treaty between the two countries, and therefore I say that at the least it is a moot point as to whether or not any arrangement such as was contemplated preceding the order in council or by the order in council should not have been carried through by a treaty between the United States and ourselves.

The second point I have taken is that this lease is a lease of the government of the province of Quebec. Very well. We went to the trouble in this parliament not so long ago of submitting to the Supreme Court of Canada certain questions for decision, questions which involved very definitely water powers on the navigable streams of this country and water powers arising from the construction of such works as canals upon the navigable streams of this country. That reference was quite futile. The questions were badly framed. It has always seemed to me that there should have been some foresight in the drafting of those questions, because it would be obvious to anyone reading them that there was nothing in them upon which the supreme court could give a judgment. It could in any event only take the place of the law officers of the crown with reference to them and tender advice. The judges of the supreme court said in effect that they could not make a decision in regard to any of the matters submitted to them unless a concrete case arises; that whatever they might say would be purely academic, and they did not choose to say anything of that character. But here we have a most important matter, a concrete case capable of determina-

tion before the courts—the question of the right to the water. It was held in Tetreault vs. Harbour Commissioners of Montreal that the river bed of the St. Lawrence in the province of Quebec was held by the crown in the right of the province. There has been nothing, of course, to say that the water itself, and what water provides, that is, the power possibilities of water, belong to the province any more than they do to the Dominion. We may have our views in that matter, but it was thought by the present government that on such an important matter the question should be submitted to the supreme court for decision. So I say that when we come to these two points, when we have a concrete case in which the question arises as to the rights of navigation in international waters which are navigable, and secondly the question as to who has the right to the water powers, they might very well have been submitted to the highest court of the realm for decision before the time came to pass upon this application. I think the government had that in mind and should have had the courage to press it to a conclusion. It is amply clear that the government had that in mind from a reading of the order in council, wherein the government goes out of its way to provide that should there be in some lawsuit arising in the future a decision adverse to the provinces all these rights should be cancelled. Having that in mind, would it not have been far better for the government to settle the question once for all, rather than let these people go on with their undertaking? If it was right, and was so decided, then they could go on about their business.

My hon. friend passed on to his next point, that the application was opposed by other interests. He wanted it made clear that the opposition arose not from people who objected to this company particularly, but objected only to its being granted more than a flow of 40,000 cubic feet per second. I should like my hon. friend to look at the order in council and the amendment just a little more carefully than apparently was done earlier. I am inclined to think that the applicants for this order in council were a little too adroit for those whom they had to meet, and I think that they have really made their original application over again, although they were pretending to make an amended application. The original application asked for the whole flow. You will remember that in 1928 we had a bill before the house asking for all those rights, but it did not get past its second reading. The company amended its application, and this is how it read:

[Mr. Geary.]

> The application of the Beauharnois Light, Heat and Power Company now pending before the governor in council is purely and simply for the approval of plans for hydraulic development which will be subject to a condition that not more than 40,000 cubic feet per second shall be diverted from the river. . . . . If the engineers think that the plans should be altered to meet this declaration the company will submit to any such alteration.

You will note "now pending". The company has not applied for an order in council limiting them in all matters to plans which will provide for a diversion of nothing over 40,000 cubic feet per second. They have asked for the approval of plans which will meet their purposes, plans which can be enlarged, only reserving to themselves what they think is likely to be granted, the right at some future time to come to the governor in council and say: "Look at the money we have spent in order to develop the whole flow of the river. You have passed upon and approved our plans, and we have gone ahead and constructed the works. We are now using our 40,000 cubic feet per second and selling the power developed therefrom. Is it not fair to give us the rest of the power?" I say, Mr. Speaker, that they have laid for themselves a very firm foundation for making such a request in the future. I would like the government to recognize what they have let themselves in for. I refer to Mr. Sweezey's letter, which has already been quoted. Near the top of it he says:

> The Beauharnois Light, Heat and Power Company has acquired under a lease from the province of Quebec extending to the year 2003 and under authorization from the governments of the Dominion of Canada and the province of Quebec water-power rights on the St. Lawrence river, twenty-five miles above Montreal.

They ars using there, without any context that limits it whatsoever, a statement which I think the government should take note of, that under authorization from this government they are proceeding to instal plants. The plans are later described as what? As looking for the installation of approximately 1,000,000 additional horsepower. This is what they say:

> Provision is made in the plans and considerable work is now being done with a view to installing further units, if additional water becomes available.

I think nobody reading that would for one moment draw any other conclusion than that the promoters are authorized to develop 1,000,000 horse-power additional to the 500,000 horse-power under the authorization of the Dominion government, which authorization was given by the approval of plans which will develop more than 500,000 horse-power and can be adapted to develop 1,500,000 horse-power.

Mr. MANION: And they have sold their stock on that basis.

Mr. GEARY: That is what the government has let itself in for. At that point I would ask the government seriously to consider whether it is not now in the position of lending itself to the schemes of these promoters. Referring for the moment to the liquor export bill, which comes to my mind, and setting aside the rather high-sounding platitudes and extraordinary expressions of fear of international trouble, there was one thing that justified that legislation—that this country should preserve its self-respect and should not be tangled up with rum runners or law breakers. That is a good principle. If that principle, then adopted by the government, was good in regard to rum runners and gentry of that sort, I submit that it is equally fitting of application to the gentlemen who are promoting this project and are taking money from the public in connection with it.

My hon. friend proceeds to state that there is no objection to the conditions. I do not now take any definite and specific objection to them, but at the time I was dissatisfied with them. However, I have not had an opportunity to examine in detail the conditions, although I think strong objection might very well be taken to some of them.

I pass now to the report of the joint commission. In the section which the minister read one thing stands out that cannot be controverted, that the spot where navigation development was to join power development should not be to the south of the river where the present Beauharnois development is. There is no question about that. The Beauharnois proposition assumes to be a combination of power and navigation development. My hon. friend can get no comfort from what he read, for the joint board is entirely against the present location. True, the majority of the Canadian members—two out of three, but they were opposed by the other Canadian member, and all the American members—did say that if you introduced a simple navigation scheme on one side and a power scheme on another, it might be a good place for the navigation scheme to be along the lines of this Beauharnois development, while the power scheme would be carried out more advantageously further to the north.

Mr. ELLIOTT: I am quite satisfied my hon. friend is not intentionally losing sight of the fact that this was introduced as a power scheme, not as a joint scheme.

Mr. GEARY: Yes, it gets its sanction in the minds of the ministry from the fact that it is joined together as a power scheme and a navigation scheme and would lessen the cost for the development of the navigation end. But the joint commission reported unanimously that if you are going to bring the two together then the south shore is not the place, it should be on the north side. The commission reported further, and it seemed to me a sound conclusion, that the reason they objected to this was that navigation, with the potentialities of traffic on that river, can never be satisfactorily carried on on the site of the Beauharnois development; that is the opinion of the minority of the Canadian and of all the American representatives on the board. Confronted with that, I do suggest to the minister that the government had no right to appoint another committee, and in effect override, or at least ignore, the report of the joint board of engineers, which had been a matter of such profound study and had been accepted by another body appointed by the government known as the national advisory committee. Faced with that difficulty, Mr. Speaker, the government should not have relied upon a committee appointed on the spot to bring in a report but should have gone back to the national advisory committee, even to the joint engineering board and asked them: What have you to say about the present proposal which we are considering?

My friend said there is not in existence an agreement for granting further power rights. It has been pointed out very plainly that in the prospectus it is intimated that if there is not an agreement in existence there is at least a very fair possibility of getting the additional water from the two governments, and I think my hon. friends opposite should take note of that. It is enough to put them on inquiry as to what these promoters are doing and what sort of inducements they are offering to the public to buy their stock.

Now, Mr. Speaker, I should like to say a word or two about the capitalization of the power corporation. I do not intend to go over all the ground covered by those who have preceded me. It originated in a very small way by certain gentlemen owning this small development. Then in some way Mr. Sweezey got it into his own hands and afterwards into the hands of his syndicate. Having got in touch with the Beauharnois corporation—which was not difficult seeing that he made it—he said to them: I will hand you these rights. What did he get for them? He got $4,750,000, plus a sum sufficient to wind up his syndicate, plus a sum sufficient to pay off the original owners. Of that $4,750,000 in cash he agreed to use $1,000,000 to pay for 1,000,000 shares in the Beauharnois Power Corporation Limited at $1 per share. It was

a pretty tidy piece of work up to this point. He had in his pocket $3,750,000 in cash and the 1,000,000 shares for which he had paid, and there were no liabilities, the property was all paid for. But that was not sufficient. A subsequent transaction was entered into and that is where purchasers come in composed of Newman, Sweezey & Company, Limited and the Dominion Securities Corporation, Limited. These purchasers took over from the Beauharnois corporation $30,000,000 worth of bonds. Those bonds have been issued to the public at par, plus interest. But Mr. Sweezey and his friends did not pay par to the corporation for them, they paid $27,000,000 and got $30,000,000 of bonds. But that was not enough. They said: We must have a stock bonus when we offer this to the public, and we will take 770,000 shares of class A stock, in addition. So having sold $27,000,000 worth of bonds at par, and given 135,000 shares class A common as a bonus, they had $3,000,000 worth of bonds left, which were as good as cash, for there was a public demand for them; they had cash $3,750,000; they had 1,000,000 class A shares from the earlier transaction and from the latter transaction 635,000 class A shares, all fully paid for so far as we can tell. As a result they have in their pockets $3,750,000 cash, and 1,635,000 class A common shares, practically the whole issue of class A stock which their own agents and friends hold out to the public as worth $60 a share, or $98,000,000, and besides all this, $3,000,000 in bonds. They have done very well, and to this date they have got away with it. I do not know that after this there is anything in the nature of financing that cannot be accomplished in this country. Those interested at this point fell out among themselves. One group objected and got out; they are reported to have taken with them $3,500,000. It was so bad that in St. James street, that financial centre, the whole scheme, except to those who were in it for the dollars and cents, simply stank. Even big financiers who make it a business to float these propositions but who were outside of this scheme, had no hesitation in saying that it was a very bad affair.

Mr. ELLIOTT: Is not the argument of my hon. friend that the rental for these waters which is being received by the province of Quebec should have been greater, assuming that the project will turn out at all as indicated in the prospectus issued by the promoters? My hon. friend will bear in mind that the rental is being received under lease granted by the province of Quebec.

[Mr. Geary.]

Mr. GEARY: I was not saying that, nor was it in my mind, but I shall try to answer the hon. gentleman. My contention is that this project is so bad on the face of it that inquiry should be made. The government has lent itself to the scheme, and the government should feel that it is incumbent upon it to take some steps for the protection of the public. If the investigations disclose that these statements are true, the government should without further delay cancel all rights, and lessen the possibility of further harm. The Prime Minister has said that there would be no difficulty in taking that course. When last year a motion was made by my hon. friend from Toronto Northwest (Mr. Church) to add to the Navigable Waters Act a provision stating that these matters should not be dealt with by the governor in council, but should go before parliament, my right hon. friend did not hesitate to say that no matter what money had been gathered in and no matter how far the industry had progressed it was quite competent to parliament to annul the whole thing. Equally is it competent to council to cancel an order in council.

To deviate for one moment, this matter should never have been dealt with by order in council. At the time of the order in council the House of Commons was in session, and in my opinion its issue constitutes an abuse of authority of the sort that my hon. friends were in other days ready to condemn. It seems to me that this point is worthy of attention, because in this very act—the Navigable Waters Protection Act—it is contemplated that the order in council shall not be final; there is provision in the act for its annulment. It is quite evident that it is contemplated in the act that an order in council thereunder might be annulled by parliament, and having before them the provision in the act, and considering the magnitude of the interests involved, and the important questions arising, the government might very well have relied upon the implication contained in the act and brought the matter into the house. I agree that it is difficult for the House of Commons to discuss engineering plans, but they may be settled elsewhere. This was not, however, a question of plans; it was a question of interfering with water rights or accepting the demands or contentions of provinces as to water rights. The questions that arose were questions of principle. There was the objection, for instance, which one can read from

the reports, that the building of this particular plant would interfere with the official reports and plans for the whole waterway development of the St. Lawrence.

Mr. CANNON: Would my hon. friend suggest that until this question of the respective rights of the Dominion and the provinces in respect to hydro-electric development is settled, all these developments are to be suspended and the Dominion should refuse to grant the approval of plans in Quebec and Ontario?

Mr. GEARY: Yes. I see no reason why private power developments should have the right of way over the publicly owned development of a great waterway. These should have stood until all legal questions were settled, and until the whole question of the St. Lawrence was settled. There was no need for haste; for it was in the year 1913 that Mr. Sweezey wrote a letter to Sir Max Aitken advancing this proposition. It could stand easily for another year.

Mr. CANNON: The Quebec government has a system quite different from that of the province of Ontario.

Mr. GEARY: I recognize that to the full. No doubt the province of Quebec is opposed to public ownership of public utilities and prefers private ownership. As far as that is concerned it is entitled to take whichever view it chooses. The view of the province of Quebec does not prevail in the province of Ontario and in the western provinces where the people stand by public ownership. It seems to me that owing to the important nature of this matter the government should have had in mind the opposition of these latter provinces when it was discussing the action it proposed to take. The question whether or not we in Ontario or the people of Quebec are right in regard to public ownership of this particular water power might have been settled by an appeal to the privy council.

I do not wish to go into these matters in great detail but I do say that the financial end of the project deserves scrutiny by the government, because the government has wittingly or unwittingly lent itself to the schemes. The question of waterways is one that deserves full consideration. I claim that the air should be cleared and that this order in council should be cancelled so that all these matters can be settled by the House of Commons. These matters ought to be before us for discussion and the plans should be settled upon in the ordinary administrative fashion. There are important features of this matter in connection with which the government appear to have made mistakes, and I feel sure that when the government reconsiders the matter they will find that to have been the case. I believe if they give it proper consideration they will cancel the order in council.

If I were to continue I am afraid I would only repeat myself; I think I have given my reasons for agreeing with the views presented in so admirable a fashion by my hon. friends to my left.

Mr. T. L. CHURCH (Toronto Northwest): The responsibility for this great contract under our system of responsible government rests upon the government of the day, under the Navigable Waters Protection Act. I am surprised that the gentlemen sitting to my left have come forward in the dying hours of the session and have made the question of water-power rights in the St. Lawrence a political football. The hon. gentleman gave me no help the year before last, last year or this year, when I brought in a bill which would have cancelled this permit by transferring the powers of the minister to parliament. I could not get five Progressives to rise with me to bring about a division on the matter on March 3 last. That is the kind of lack of help I do not like, yet hon. gentlemen call themselves a public ownership party. They are not the only public ownership party; they never have shown it in this house, in Manitoba, or in Alberta, and last but not least they did not show it under Mr. Dunning in Saskatchewan.

This contract is probably the greatest outrage perpetrated in Canada since confederation. We should stop handing out the water-powers of this country to every Tom, Dick or Harry who comes along calling himself a capitalist. The waters in question pass the doors of Ontario first as I pointed out before, on the way down to the province of Quebec. During the sessions from 1920 to 1922 the Hydro-Electric Power Commission of Ontario had an application before the government to develop power at Morrisburg, just a few miles west of here. There were some legal matters involved and it probably raised an international problem, but in view of the stand of the state of New York an arrangement could have no doubt been made. That application was held up by the Liberal government and finally refused by the minister, at that time the hon. member for Kootenay. About a year later a bill was introduced in this house, the predecessor of this Beauharnois bill, known as the Great Lakes Beauharnois bill. That bill was introduced by the then hon. member for Joliette, a gentleman who

now has gone to the superior court of Quebec, Judge Denis. Then the Beauharnois application came on and a file of correspondence of the department was brought down in the house, from which the hon. member for Acadia and the hon. member for Bow River have read somewhat on the engineering and power side.

It is known in every banking house in Canada and the United States that these people have permission to in the end eventually develop 2,000,000 horse-power on the St. Lawrence. Talk about responsible government; if an investigation were held into this thing it would show that this government has given Mr. Sweezey and his colleagues power to develop electricity from the full flow of the river, and the sovereign rights of the province of Ontario to the waters farther west on the river, have been destroyed. The Progressive party never said a word about that last session or on March 3 when I had the matter up. I introduced a bill, which I will read to the house, designed to cancel this permit, and if I had not fallen ill probably this debate would have taken place over a year ago. This bill proposed to repeal order in council 422, dated March 8, 1929, and all subsequent orders in council and, mark you, there have been four orders in council granted. Under the first, order in council 422, permission to develop 40,000 horse-power was granted. Under the first section of the order in council, at the expiration of one year, 100,000 horse-power was to be developed; at the expiration of the sixth year 200,000 horse-power; at the expiration of the seventh year 300,000 horse-power, and at the expiration of the tenth year 500,000 horse-power. Then some question arose as to the power of this parliament to grant the application before the minister, and he did not sit on the case himself. I would not like to say the government did not consider him strong enough, because I have great respect for his ability, but it was an extraordinary coincidence that when the hearing was brought on and the Beauharnois people were present, on the right of the Minister of Public Works was the Minister of the Interior, the gentleman who was mainly responsible for the disaster which occurred in connection with the Seven Sisters Falls. On his left was the general organizer for the province of Quebec, the Minister of Marine and Fisheries, a friend of the power applicants, who was all ready to prompt the Minister of Public Works in case he needed any political advice as to what should be done.

Is it a matter of surprise, Mr. Speaker, that the people of this country are beginning to wonder what kind of country we are living in and what kind of parliament this is? Now in the dying days of this session members of the Progressive party bring up this motion. I look upon it as being very largely for their own political purposes so far as they are concerned. I have doubted their sincerity for many months past in connection with this problem, because when I brought up this bill to rescind this order in council and all subsequent orders in council, I received no help whatever from them. They talk about the Conservative party and want to know where we stand. The Conservative party is the only public ownership party in Canada today. This party was responsible for taking over the national railways; Sir Adam Beck and Sir James Whitney began the hydro-electric system in Ontario, and in this house last session the leader of this party encouraged me to go on with the debate when I brought in this bill to transfer power to grant such applications from the Minister of Public Works to parliament.

I am sorry for the minister; I do not think any minister should be asked to take the responsibility which the very kind hearted young minister must take in this case. However, I must say that I proposed to relieve him of this responsibility when I brought in my bill. I had deep sympathy for the young minister at the time the hearing took place, and shortly afterwards a bill was introduced in this house to transfer the power of granting such applications from the minister to parliament. The leader of this party in the house had encouraged me for a month to go on with this bill, and there was a division taken on it. The yeas numbered 72 and the nays 85, and there were several points of order taken in respect to the bill. During that debate I urged, as I urged on March 3 of this year, that this abnoxious contract should be cancelled on the grounds of public policy and that all orders in council, not only order in council 422 but order in council 1122 dated June 27, 1929; order in council 1081, dated June 22, 1929, and order in council 1244, dated July 19, 1929 as well, and all subsequent orders in council should be cancelled.

You will notice that hon. gentlemen to my left read from different financial statements, and I am sorry they did not act along this line some time ago. Hon. gentlemen will notice that so far only Canadian financial statements have been read. A lot of the bonds and securities of this country have been underwritten by the great super-power trust which flourishes at New York and Washington.

I have been reading the evidence taken in connection with this notorious American power trust at Washington during the past three years before the United States trade commission, which shows that papers were being bought up and the private bills committee was being corrupted by these people, the electricity ring in the United States, with headquarters at Washington. That ring reaches up to the 49th parallel along the Canadian border, right up to the state of Maine, and now they are in Canada and no one knows what they are doing. The evidence is contained in a book of about 300 pages, and at the hearing the most brilliant counsel in the United States were present representing both sides at Washington. It was shown that these people have corrupted the United States and have seized the water-powers from the people of that great country. Now they are crossing into Canada, as I said on March 3 of this year.

As far as this party is concerned, it took this stand last year in connection with the second reading of this bill. The leader of the opposition was most enthusiastic and encouraged me to go on with my bill, and he always has been enthusiastic with regard to the conservation of the water powers for the people of Canada. He showed it last year in connection with the Seven Sisters debate, when he gave the Progressives very good support in the house. It is all very well to say that 2,000,000 horse power has not been guaranteed, but it is somewhere among the papers brought down. Possibly I have not looked for it carefully enough but every banker knows it is true. Somewhere among these papers will be found a guarantee for 2,000,000 horse power.

We know the interest which the Financial Times and the Financial Post have in this thing; they have been corporation papers for years and no one expects any assistance from them. The American papers go much farther than do the Canadian publications. Go down to Wall street and read the American papers; go into one of the bankers' offices and you will find the prospectuses showing a contract signed, sealed and delivered by the hon. gentleman across the house has been granted for 2,000,000 horse power. Order in council 422 allows for a stepping up in the development from 100,000 to 200,000 to 300,000 to 500,000. Only last July they were given an additional handout of 160,000 horse power. There is not much farther to go, but they will continue on their way. Once they have got their hands into the treasury they are going to go ahead and get everything they can out of the St. Lawrence waterway from the present government. The papers of Ontario have been talking about a little grab which has taken place in Toronto, but this grab is so big the papers cannot understand it and I know of only three papers which have opposed it.

I am not surprised at the policy of the hon. gentlemen opposite, because so long as there is responsible government in this country someone has to take responsibility. That responsibility is placed upon this government just on the eve of an election. This company is to be allowed to develop 500,000 horse power within five years. As I said last year when my bill was defeated: Goodbye to the St. Lawrence waterway forever.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

Mr. CHURCH: Mr. Speaker, the whole canal policy of this country has been upset by this particular contract. In 1854 the people of Canada took over the canals as a public undertaking, as part of the transportation system, and several hundred millions of dollars have been expended on those canals. That policy has been in existence from 1854 to the date of the passing of this contract, when along comes the present government and by this particular contract upsets all the settled canal policy of Canada. It gives this company power to build a canal, although by the agreement, which is a most improvident one, the government has to build the locks. The canal feature of the contract is just the joker in the deal. This is a power deal, purely and simply. The navigation part is a myth. It is to hot to read the whole voluminous record, but if hon. members will read it they will see that the contract is improvident. I doubt if it would pass a village council, let alone the committee of three members of the cabinet that sat on the case.

Let us take, for instance, the Borden administration in 1911 when the Welland canal prosposition came up. What would the people of Canada have thought of the Borden administration if they had given Mackenzie and Mann power to build the Welland ship canal in exchange for the power in the said works. What would the country think of a steal like that in the Niagara district? Yet the present government has done this in Quebec with respect to the St. Lawrence. As I said last year, what this legislature needs is a chief bouncer. I see some gentlemen of this company walking through these halls to-night; these high "C" finance gentlemen are around

these halls to-night. Whom can they influence, where do they get their pull, I do not know. They have changed their politics; they are all a bunch of turncoats. They are for one party to-day and for another to-morrow. They are just a lot of hungry political vultures, grabbing the water powers of the country from the people. In my humble view, no government can stand against the opposition of public opinion that, in the next election, that will be expressed in the ballot box in central Canada in regard to this particular nefarious deal once the people see the nature of it and what sacrifice of their interests now and in the future is involved, are fully appreciated by the people. It is one of the most iniquitous agreements that I have ever read.

Private capital should have been more progressive in past years in regard to the St. Lawrence. In this age of power development, little foresight is needed to realize the immense value of the water powers of the St. Lawrence. This is a grant of millions of dollars made directly by the present government, without our consent and at the expense of the people, to this monopoly. Wait till you see the rates. Generations yet unborn will suffer in their industrial, economic and domestic life. We are mortgaging the labour of future generations on the St. Lawrence for the benefit of a few power grabbers of the public domain, and this is being done over the heads of the people's representatives in parliament.

Where democracy is landing in Canada, I do not know. Where is Liberalism, and where are the principles of so-called twentieth-century Liberalism? They have been scattered to the four winds of heaven. There is more Liberalism expressed in the speeches of the hon. member for Acadia (Mr. Gardiner) and the hon. member for Bow River (Mr. Garland) than in those of hon. gentlemen opposite. Talk about the day of the Family Compact! In 1837 the Family Compact was as nothing to this family compact of Sweezey, Gundy and all the rest of them, limited and unlimited. They say that the Gaul of Caesar's Commentaries was divided into three parts; the gall of this man Sweezey and his crowd is so great it is incapable of division. This was the gentlman who went up to Hamilton a month ago to speak on the St. Lawrence question. He shed buckets of tears for the poor people of this country when he raised the United States bogey of an alternative all-Canadian canal. They need an alternative canal as much as half a dozen parliament buildings are required at Ottawa for the House of Commons to meet in. This Mr. Sweezey raised the American bogey regarding that canal, while he is really in league with Wall street and five American millionaires to grab this water-power and make millions for himself. He is building a big baronial castle on the banks of the St. Lawrence the like of which has never been seen in the old country, and from the tower of which he can gaze over the St. Lawrence and say, "I am monarch of all I survey." That is what takes place under this government, but I say that no government can last when public opinion in the central provinces of Canada asserts itself.

While I would like to have seen my good friends to my left a little more active a little while ago, I think that they have done good work in bringing this matter to the attention of the country. It may look a little political on their part just now, but it is pretty near time that the representatives of public rights and those who want to protect the water-powers of this country got into politics and asserted themselves, or soon there will be nothing left to give away. Mr. Backus grabbed off a whole principality for himself back of the Rainy river. He could not wait. The Seven Sisters falls crowd could not wait. The Winnipeg Electric could not wait. They corrupted the electors in the province of Manitoba in that iniquitous deal. Then there was the Gatineau deal, and now this Beauharnois, the worst of the whole lot. In my humble opinion there will be a rude awakening for the government when this country to-morrow awakens and is alive to the enormity of this deal. Parliament is being made to look ridiculous. We could not get five members to stand up and call for a vote on this question a little while ago.

The Prime Minister of this country is very fond of talking of five cent policies for the unemployed in this country. He did not talk in terms of five cents to the unemployed Mr. Sweezey and Mr. Gundy and all the rest of these power barons. Oh no; he converted them into multimillionaires. Five cents for the unemployed working man, and millions for the unemployed Mr. Sweezey and all the rest of them. That kind of policy might have been all right thirty years ago. It might have been all right then to turn over our water powers to private capitalists; but that policy was repudiated in Ontario long ago. The government of this country and its Beauharnois friends, Sweezey, Gundy and Company, will have the battle of their lives in their life work to alienate the sovereign rights of the people on the St. Lawrence. The water powers of the St. Lawrence are the property of the people. That question was fought out years ago, and it was established as a fact

that the water powers are the property of the people. There can be no quarter given to those who are departing from that basic principle. In the years to come this project is going to be an encumbrance and a drag on every man, woman and child in this country. A ransom will have to be paid by way of royalties on the capitalization of this company, fixed at the highest possible figure; industry and labour in this country will be crippled, as well as agriculture, and our water powers will become part of a super-power trust in the United States.

I have found that objection to my newspaper bill came in part from the electrical trust in this country from some of these people interested in the development on the St. Lawrence. We should have turned these people out of the parliament buildings years ago. We should have had a chief bouncer to turn them out five or six years ago. Some time ago I put a question on the order paper asking the names of the president and directors of the Beauharnois Company, and the answer I got was, "No information." Fancy, no information as to who the party of the first part was.

The order in council was ultra vires because it interfered with the level of the water from the great lakes to the sea. This country settled its canal policy years ago. So this, Mr. Speaker, is what is called twentieth century Liberalism! To-morrow there will be a rude awakening for this so-called twentieth century Liberalism in the central provinces of Canada.

When the application of the Beauharnois people came before the government, it was heard by three ministers. There was the Minister of Public Works (Mr. Elliott), flanked on the right by the Minister of the Interior (Mr. Stewart), and on the left by the Minister of Marine and Fisheries (Mr. Cardin). Objections were made by the shipping federation of Canada as to the levels of the lakes. They said that they could not navigate the channel if this canal was built. But the Minister of Marine and Fisheries would not listen to Lally McCarthy, K.C., when he showed how this canal would affect the levels of the St. Lawrence waterway.

Section 12 of the Navigable Waters Protection Act provides:

> Parliament may, at any time, annul or vary any order of the governor in council made under this part.
>
> Any action of parliament in that behalf shall not be deemed an infringement of the rights of the local authority, company or person concerned.

At page 164 of the evidence the parties are set out. At page 173 Mr. Holgate, the civil engineer admits that the remedial works may fall down. A lot of weirs have been erected along this artificial canal against the advice of their own engineers. Capable engineers have said that the artificial work was not sufficient. At page 176 of the evidence, Captain Ouellette said that the creation of the dams was going to create cross currents to such an extent that it would be impossible to get in with present day boats, that the depth was not sufficient. They excavated an artificial waterway, supplementary to and apart from the present channel, whereby a new outlet would be created for passing the waters of the St. Lawrence river from lake St. Francis to lake St. Louis.

This matter was referred to the Department of Justice. The question was asked: "Is there any power in the department to authorize the diversion of 40,000 cubic feet per second?" The answer was "No". I contend, Mr. Speaker, that it was a breach of the Washington Treaty of 1871 and of the Boundary Waterways Act and that if the matter was never taken to the International Joint Commission the whole thing could be set aside, because it is a breach of the Washington treaty; it is a breach of the Boundary Waterways treaty and of many other treaties with the United States, under which the United States are guaranteed an uninterrupted flow of water from the head of the lakes to the sea. There is no authority, federal or provincial, for diverting that water if it is going to interfere with navigation. As I said, the Justice department was appealed to, and to the question, "Is there any power in the department to authorize the diversion of 40,000 cubic feet per second?" they answered, "no". They quoted article 26 of the Washington treaty of May 1871, that the river shall be free and open for navigation purposes.

What about the rights of the United States and the rights of those provinces higher up the lakes? It is not Ontario and Quebec alone that enters into this problem, but the other provinces at the head of the lakes and the United States who are entitled to a free flow. The whole agreement is an improvident one, and it is full of jokers from beginning to end. The Beauharnois company has gathered in another 160,000 horse power of the St. Lawrence total by an arrangement with the Montreal Cotton Company. Also it is freely predicted that the Holt interests at Cedar Rapids will be the next to be absorbed by Beauharnois. And all this can only mean one thing. That is that there is to be no com-

petition between rival power companies in Quebec. The battle for St. Lawrence power at Ottawa last winter looks more and more like a sham fight. Also cheap power for Quebec looks more and more like a myth. The Quebec government with the aid of the King government sold the heritage of the people of Quebec for a mess of pottage represented by $1 per horsepower. And the millionaires of St. James street will wax fatter and fatter on the profits of electricity that should have been developed for the benefit of all the people. Two or three weeks ago the Prime Minister said he would tell us in two weeks what would become of the proposed deepening of the St. Lawrence waterway. There is no necessity for him to tell us; we know good and plenty what will become of that project. This particular government, I say, is responsible for the present unsatisfactory condition of affairs. The member for Bow River spoke in his able and forceful speech of the misleading statements in the prospectuses. Of course they are misleading, and those who prepared and published them should be proceeded against under the criminal code. Section 414 of the code provides:

> Every one is guilty of an indictable offence and liable to five years' imprisonment who, being a promoter, director, public officer or manager of any body corporate or public company, either existing or intended to be formed, makes, circulates, or publishes, or concurs in making, circulating or publishing any prospectus, statement or account which he knows to be false in any material particular, with intent to induce persons whether ascertained or not to become shareholders or partners, or with intent to deceive or defraud the members, shareholders or creditors, or any of them, whether ascertained or not, of such body corporate or public company, or with intent to induce any person to entrust or advance any property to such body corporate or public company, or to enter into any security for the benefit thereof.

In Rex v. Gillespie, it was ruled that:

> In considering the charge against the president of an incorporated company for publishing a false statement under code, section 414, judicial notice will be taken of the statutes of another province under which the company was incorporated, requiring the president to be chosen from the directors; and a warrant of commitment against the president, as such, after proof of the manner of incorporation, need not allege that he was a director.

So both the province and the Dominion have jurisdiction in this respect over prospectuses. Whether the justice department will prosecute —well, you know who is running the government of this country. This government today is nothing but a government of big interests and appetites. When I see those gentlemen walking around arm in arm with the leading members on the other side of the house, I have very little hope that the interests of the people will receive much attention.

As to the engineering side of this project, the mover and the seconder of this motion have read from the report contained in the return which was brought down last session at my request. They have picked out a few of the good points in that report, but they in their time limit have touched only the fringe of the subject. There is going to be a rude awakening shortly for the government and for these interests. Some of these people are seeking financial aid across the border with their Wall street allies. I have the evidence taken before the federal trade commission of the United States which investigated the power trusts over there. This commission has control over power and gas utilities in that country. The evidence shows that those American power trusts have agents walking the floors of congress and of all the state legislatures. They have bought papers and spent millions. Our power magnates are just as busy in our legislatures. Is it any wonder that the people of this country are going to wake up when they see the way their water powers are being handed over for private greed and gain? This government has not five cents for the unemployed to feed their starving women and children, but to the unemployed of the Sweezey class they hand over millions of dollars. The member for Bow River estimated that Mr. Frank Jones, who was the chief mover in getting approval of the company's plans by the federal cabinet, made $2,500,000 out of his share in the project. Well, I have been reading some of the leading financial papers of the United States and of Wall street and their writers say that he made from $4,500,000 to $6,000,000 out of the sale of his permit interests. That was what the permit from the hon. Minister of Public Works and the government was worth to Mr. Jones. A new company was formed. As the hon. member for Bow River said this afternoon they amalgamated all the subsidiary companies and the prospectus says untruthfully that they secured water rights on the St. Lawrence capable of developing 2,000,000 horsepower. If there is any concern for public rights in the Department of Justice they will see that the criminal code is enforced against those responsible for issuing the false statements contained in these many prospectuses. The Minister of Justice still allows two innocent young men of Ottawa to remain in Kingston penitentiary, even after the Attorney General of this province and the local crown attorney declared they were innocent, and a mistake made, and that they have not heard a word from the Justice department. Why

are those innocent men allowed to languish in prison? Why treat the poor one way and the millionaires another? To-day there is a power family compact. Talk about twentieth century Liberalism! Well, the public will soon have something to say about this "twentieth century Liberalism."

The shipping federation representing those interested in the operation of ocean steamers objected to the Beauharnois plan for the reason that the project would change the levels of the river and would interfere with the flow of water to the port of Montreal. It is pretty easy to see how the departmental engineers can change their opinions. When Sir Adam Beck applied for permission to build a dam at Morrisburg these very same engineers said that it would lower the levels and interfere with the port of Montreal so seriously as to prevent the proper operation of shipping. But when they were confronted with the Beauharnois application they turned a complete somersault and said it would not affect the port of Montreal in any way. Last session I was told by my leader that I had a free hand to introduce my bill to transfer the power of approval of such projects from the minister to parliament, but unfortunately I was ill towards the end of the session and could not proceed with that measure. We made another attempt on March last but were not able to bring the question to a vote. Last year, headed by the leader of the opposition, sixty-seven voted in favour of the second reading and seventy-two against.

This contract is so obnoxious that there has been nothing like it since confederation. To-day parliament is a mere cipher and we might as well go home. No matter how we may protest, the government can give away the whole of the St. Lawrence water powers to a few favourites and thus make them millionaires overnight. Is it any wonder that the people of this country are disgusted and that they are becoming alarmed at the way these water powers are being alienated to benefit a lot of millionaires? The question of federal and provincial jurisdiction over the St. Lawrence waterways was referred to the supreme court last year, but it was all a sham battle. Was the Beauharnois question referred to the supreme court? Of course not, the Sweezey company could not wait.

Mr. DEPUTY SPEAKER: The hon. gentleman's time has expired.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I could have wished that this subject had come up earlier in the session. However, much of the information that has been placed before the house to-day has been available only in recent weeks. I know some of us may lay ourselves open to the charge of attempting to make preelection capital out of this question, but I suppose that we shall have to run that risk, for it seems to me to be of such great importance that it cannot be ignored, even though we are within a few days of prorogation.

The member for Toronto Northwest (Mr. Church) accused some of us in this corner of the house of not being interested in public ownership. May I remind the hon. gentleman that last year within a very few days of the opening of parliament my colleague from North Winnipeg (Mr. Heaps) made an inquiry concerning the St. Lawrence waterway. It is recorded in Hansard of 1929, page 80, as follows:

Mr. Heaps: Will the government, before issuing permit or licence for the canalization or water-power development on the St. Lawrence river submit same for the consideration of the house?

Mr. Mackenzie King: The Navigable Waters Protection Act provides that no works may be constructed in navigable waters unless the site has been approved by the governor in council or unless such work is constructed in accordance with plans and regulations approved or made by the governor in council. In the case of any application for the construction of works in the St. Lawrence river, coming within the scope of the act in question, it is the intention of the government to follow the procedure in force hitherto, as prescribed in that act.

That procedure was not at all satisfactory to those of us who believed alike in the policy of government ownership and the control by parliament of important matters of this character. For that reason, on February 25, 1929 I introduced a motion to this effect:

That in the opinion of this house no disposition of the natural resources under the control of the federal government shall be effective until ratified by parliament.

Hon. members in the house may recall that that motion precipitated a debate which lasted for a week. I do not think it can be said that we in this corner of the house have neglected to direct the attention of the country to the situation which exists. Last year in Winnipeg we lost the Seven Sisters falls; this year we have apparently lost the St. Lawrence river, and hon. members will realize that the loss of the St. Lawrence river is a much bigger thing than the mere Beauharnois development. I take it that this development meant a surrender of Dominion rights. I am not proposing to discuss the constitutional question of jurisdiction as between the Dominion and the provinces, but I say that the St. Lawrence river is in an altogether different class from the ordinary Canadian river. It is not a

provincial stream; it is not merely a Dominion stream but it is international. It is one of the important links in the Great Lakes-St. Lawrence system, and each part of the river should be treated as a part of the whole system. For example, the United States has treaty rights permitting free navigation. I submit to the house that power and navigation developments are inseparable, and it has been an exceedingly narrow reading of the British North America Act which has permitted the government to turn over to one province certain valuable power rights on the St. Lawrence. This government and other governments have not always read the British North America Act in quite such a narrow fashion. Take, for example, the Montreal harbour commission. I am told that that commission operates under the Dominion government; it maintains cold storage plants and a great variety of concerns which might conceivably be understood to be provincial in character. On Saturday the prime minister is to open formally the harbour bridge. I am only a layman and I do not pretend to understand the intricacies of the law, but if the Montreal harbour commission can build a bridge from shore to shore across the St. Lawrence river I cannot see why we should say that the development of power must of necessity be entirely provincial in character. There is very little doubt that the action taken in developing the Beauharnois system is blocking the general scheme of navigation which should involve the whole of the St. Lawrence.

Within the last few months some very interesting articles written by Mr. Harry Sifton have appeared in some of the Toronto papers. In those articles he pointed out very clearly that the power development ought to bear the cost of canalization. I do not want to argue the point, but to my mind it is obvious that his contention is correct. If we allow power to be developed in the haphazard fashion we are doing at the present time, it will be impossible later on for the Dominion government to shoulder the heavy burden of putting through the canal. The canal could be constructed at very little cost to the Dominion government.

The serious charge has been made by the members for Acadia (Mr. Gardiner) and Bow River (Mr. Garland) that the government is lending itself to a colossal "grab." I do not think the expression used by the hon. gentleman is too strong. Simply by acquiescing in this kind of thing and by having passed an order in council which has been the foundation upon which these transactions have been based, the government has been lending itself to a colossal grab—unless indeed the government should now take prompt action to cancel the agreements contained in the order in council. In my opinion the Minister of Public Works (Mr. Elliott) gave a very disappointing answer, and he took an extremely narrow and purely departmental view. He did not touch at all the charges urged by hon. members in this corner but stated that the province of Quebec had the right to grant a charter. I do not know why the hon. gentleman undertook to decide a question which has been before the courts and upon which there has been no final decision. We all know that the province of Quebec claims the right to issue charters, but as the member for South Toronto (Mr. Geary) very clearly stated this afternoon, we should have had a final decision from the highest judicial body and should not have allowed the matter to be settled by order in council. The minister stated that the government had adopted the policy which the majority of the joint engineering board had advocated. I do not think that the hon. gentleman was quite ingenuous because if hon. members will read the report they will find section 162 as follows:

> The board finds that it is practicable and advantageous to combine the improvement for navigation in this section with the development of power on a progressive program of construction of power plants, only the first part of the power development being undertaken in conjunction with the works required to carry navigation through the section.

It was only in case it was found impossible to carry on such cooperation that another arrangement was suggested and that the majority of the Canadian section suggested that this route would be possible for navigation purposes. I think therefore that consciously or unconsciously the minister was rather misleading when he made his statement.

I do not think we should consider this particular transaction as being of a nature distinct from other similar transactions which are taking place all over this North American continent. I have before me an issue of Labour under date of May 20, 1930. This paper is published in Washington. There is a cartoon here which shows a portly old gentleman labelled "The Power Trust" holding a sort of coffee mill labelled "The Holding Companies" and into this mill he is pouring a stream of water which flows out in a stream of gold dollars. The caption is "Turning water into gold" and the cartoon illustrates a speech made last week by Senator George W. Norris in the United States Senate. Mr. Norris said:

> Chemists in the past have been working for years and years. . . . to devise a method by

which they could make gold, synthetic gold. These power trust officials have beaten the chemists to it. They have made hundreds of millions of gold out of water—nothing but water. It does not even need to be clean water; it is usually muddy, dirty water, but they are making gold out of water daily; and the consumers of light and power, the little fellow who reads his newspaper by electric light, the woman who uses electricity to wash clothes, the big manufacturer who consumes hundreds of thousands of horse-power in making things that the American people use, the miner who operates the coal mines—all of them are contributing their part to the great operation of the power trust of converting water into pure, yellow gold; and we sit idly by.

Then Senator Norris goes on to refer to conditions in Canada, he says:

Partly as a result of the wisdom of the Canadian government—

I am afraid he should have said the wisdom of the Ontario government.

Mr. BRADETTE: Not in all cases.

Mr. WOODSWORTH: Possibly not.

Partly as a result of the wisdom of the Canadian government in its handling of power matters, the Canadian manufacturer gets his power at approximately one-half of what the American manufacturer on this side of the river has to pay for power.

And again:

In 1925, power in the United States, I mean industrial power, cost 11.5 mills per kilowatt hour. During that same year the manufacturers of Ontario, Canada, paid 6.1 mills. In 1928, it cost 13.4 mills in the United States, and only 6 mills in Ontario, or considerably less than half the cost in the United States.

That is in Ontario only, and under public ownership. Unfortunately, although we have begun so well, we are permitting the greatest water-powers in the eastern part of this country to pass into private ownership. There is the difficulty, and it is for this reason that I feel we cannot allow such a matter as this to pass unchallenged.

I think the hon. member for Bow River has shown very clearly that there has been essentially a violation of the order in council. That order in council states very clearly that only a small portion of water is to be diverted. Undoubtedly the company is making plans for the diversion of a much larger amount; they hope ultimately to get the whole river, as has been stated already. I want to read their prospectus again; I do not think it can be read too frequently or emphasized too strongly. In the prospectus signed by R. O. Sweezey, the following statement is made:

In view of the above provision is made in the plans and considerable work is now being done with a view to installing further units if additional water becomes available.

I may say also what I do not think has been pointed out already, that they are even now taking steps to secure supplies of water beyond their 40,000 cubic feet per second. In their prospectus, they say:

In addition to the above water-power rights the Beauharnois Light, Heat and Power Company has entered into a contract with the Montreal Cotton Company providing for the acquisition of the latter's rights to divert water for power purposes from the St. Lawrence river at lake St. Francis.

I submit, Mr. Speaker, that the purchase by the company of the right of the Montreal Cotton Company to divert water is in itself a definance of the lease and of the order in council. In addition, it had already been represented and the fact is that 40,000 cubic feet will produce 500,000 horse-power. The statement that the Montreal Cotton Company's water combined with the company's water will produce 500,000 horse-power is not in accordance with the facts, and the truth of the matter is that both waters will produce a great deal more power than the above. In fact, in the Financial Post of February 27, 1930, it is stated that the company will be able to develop 112,000 horse-power with the Montreal Cotton Company's water, although the report of the joint board indicates that only 10,000 horse-power can be so developed. The company, therefore, is guilty of two offences in acquiring the Montreal Cotton Company's water and in advertising thus; first, a breach of the terms of its lease and of the terms and spirit of the order in council, and second, misrepresenting the facts with reference to the amount of power from the above sources.

We have had so many figures given to-day that I fancy the ordinary man is somewhat confused. I do not intend to add very many more, but I should like to ask what is the value of this colossal capitalization that has been built up. It has been estimated, according to figures given by Robert Dodd and Company, that altogether there is a capitalization of some $380,200,000; that is, when the company gets actually into operation, in the course of a few years, interest and dividends will have to be paid on that huge amount. That sum appears to be required in order to build a project which will cost the net sum of $50,000,000, and the total expenditures which have been made in acquiring a property whose value would amount to only $1,280,000.

Surely the government has a responsibility in a matter of this kind. If a boy steals a bottle of milk worth 10 cents from a door

step, he is sent to gaol; if some small robbery takes place in connection with any of our stores, we sometimes send young offenders to gaol for one, two or three years, yet here are men making millions upon millions out of this country and apparently nothing is to be done about it. The Minister of Public Works simply folds his hands and says, "Well what can we do"? Surely, if the government of this country is worth anything it is here to protect the people against the big robbers as well as against the small robbers. If we have to pay interest and dividends on this huge capitalization; if we and our children after us are to be enslaved in this way, surely it is time the people realize the actual situation.

There are certain political aspects of this case which I confess I think require explanation. The letter from Mr. R. O. Sweezey to J. Alderic Raymond has been read already, but I should like to refer to one or two sections of this letter. The first section points out the necessity of acquiring the Robert rights, and section 4 of the letter reads as follows:

It will probably be advisable to enlist the participation of certain United States interests.

I should like to know what interests have been enlisted.

Mr. GARLAND (Bow River): And why?

Mr. WOODSWORTH: I think we ought to know why, and I think we ought to know how.

Mr. IRVINE: And for how much.

Mr. WOODSWORTH: There are a number of questions which suggest themselves. I do not think that Mr. Sweezey, in starting a program of this kind, had any doubt as to how he was going to carry it through. The least this government could do is to make an investigation as to what United States interests are behind this concern. I am very sure that if there are no United States interests behind it at the present time, it will not be very long before that condition exists. A super-power trust exists on the other side of the line and this is extending itself in every direction. The American newspapers for the last year or so have been filled with revelations as to what is happening in regard to this matter. Before reading clause 3, I will read the preceding phrase, in order to link up. It is as follows:

To place ourselves in possession of all the rights essential to this undertaking, we should pursue the following course:

3. Enlist with our syndicate two or three individuals, who in addition to providing some cash as their fair share, can assist us in getting

[Mr. Woodsworth.]

our rights extended or enlarged so as to develop the entire available flow of the St. Lawrence at this point. As the whole situation is entirely within the province of Quebec, our influence has to be exerted only in Canadian political circles —that is at Ottawa and at Quebec.

How has that influence been exerted at Ottawa and at Quebec? It is quite evident that powerful interests have been exerted or the corporation would not have secured these rights. It was quite evident a year ago that powerful interests were exerted in connection with the Seven Sisters falls, both at Ottawa and at Winnipeg. I think this house is entitled to know what interests are now at work at Ottawa.

The company was incorporated with a dummy board of directors.

Mr. IRVINE: Who were they?

Mr. WOODSWORTH: It might be worth while taking a few minutes to show just who were the provisional directors of this corporation. They were as follows:

Osmond F. Howe, barrister-at-law, Trust building, Ottawa, Ont.
Duncan K. MacTavish, barrister-at-law, Citizen building, Ottawa, Ont.
Belle Fraser, stenographer, Ottawa Electric building, Ottawa, Ont.
Lyla Brennan, stenographer, Ottawa Electric building, Ottawa, Ont.
Edythe H. O'Malley, stenographer, 115 Sparks street, Ottawa, Ont.
Bessie Conniffe, stenographer, 115 Sparks street, Ottawa, Ont..
Lillian Dell, stenographer, Trusts building, Ottawa, Ont.
Elsie M. Burritt, stenographer, Ottawa Electric building, Ottawa, Ont.
Gwen Gunderson, stenographer, Trusts building, Ottawa, Ont.
Kathleen Havey, stenographer, Ottawa Electric building, Ottawa, Ont.
M. H. Kelly, stenographer, Ottawa Electric building, Ottawa, Ont.

Those were the provisional directors of this great corporation.

Mr. IRVINE: Did they get anything out of it?

Mr. WOODSWORTH: Of course it is not unusual to have a dummy board of directors, but the layman sometimes wonders why it is necessary. Why was it necessary for a lawyer of the standing of Mr. Geoffrion to come all the way from Montreal to have the company incorporated by Messrs. McGiverin, Haydon and Ebbs? These are questions which should be answered.

The personnel of the board of directors has already been given to the house, but I notice included in that board the name of G. H. Montgomery. It is rather curious that in opposing the application of the company made before the Quebec legislature, the report

of the proceedings before the private bills committee at Quebec on February 29, 1923, shows Mr. Montgomery as saying:

> Last year when we came down here there was not even a plan before the house, the idea was to grab the rights that had apparently been worked out in one or two of those commissions for private interests.

And so on. Shortly after Mr. Montgomery appears as one of the directors of a corporation described by him as not being in the best interests of the companies he represented or of the province. Apparently one way of getting on the directorate of a big corporation is to attack that corporation hard enough.

An hon. MEMBER: Better be careful.

Mr. CHAPLIN: What have you got in your mind?

Mr. WOODSWORTH: This is not a bid for a position on the directorate. Another name appearing in that list is that of the Hon. W. L. McDougald. I think we all know the name of Senator McDougald.

Miss MACPHAIL: He is the power behind the throne.

Mr. WOODSWORTH: The Hon. Mr. McDougald was a member of the national advisory committee, to which the Minister of Public Works has referred. As the minister was not able to give us that information, I think it would be well to put on record the members of that committee. They were as follows:

Hon. G. P. Graham, chairman.
Thomas Ahearn, Ottawa.
Hon. W. E. Foster, St. John.
Beaudry Leman, Montreal.
Edward D. Martin, Winnipeg.
Doctor W. L. McDougald, Montreal.
Hon. Sir Clifford Sifton, K.C., Toronto.
Major-General John W. Stewart, Vancouver.
Hon. Adelard Turgeon, Quebec.

Mr. IRVINE: Does that include political influence?

Mr. WOODSWORTH: Mr. McDougald had something to say last year regarding the St. Lawrence waterway. In speaking to the Senate on April 19, 1928, as reported at page 236 of the Senate Hansard, Mr. McDougald said:

> Honourable gentlemen, I desire to make a statement on a question of privilege, and to give an absolute denial to certain newspaper implications reflecting on my honour and integrity, both as a member of this honourable body and as a private citizen.

He made reference to certain editorials which had appeared in the Toronto Globe, and continued:

> I am concerned, however, only in giving an immediate, unequivocal and absolute denial to the implication of the Globe despatch that I am connected with the Beauharnois Power Company.

He may not have been connected with the Beauharnois Power Company at that time, but to-day he is one of the directors. I notice that the following appears in the prospectus sent out by Mr. Sweezey:

> Management preferred shares (no par value), 5 shares.
> The management preferred shares above mentioned confer on the holders the exclusive rights for a period of ten years from September 17, 1929, to elect and remove the directors of the corporation and otherwise confer in respect thereof the same rights as if each management preferred share were a class A common share. The management preferred shares at the end of the ten-year period will automatically be converted into class A common shares, but, with the consent of all the holders thereof, may be so converted prior to that time. These shares have been provided to ensure continuity of direction and policy during the important initial period covering the construction and early operation of the development of Beauharnois Light, Heat and Power Company, and will be held between Hon. W. L. McDougald, M.D.; R. O. Sweezey, Esq.; and A. F. White, Esq.

We have the extraordinary spectacle of Doctor McDougald, a member of that national advisory committee, denying that he had anything to do with this corporation, and to-day he is a member of the directorate and one of three who hold these management preferred shares which give them absolute control for the next ten years.

There is just one other matter that I really should not pass by, although it may not be of great public importance, but I notice among the engineers of this new corporation, the name of Thomas H. Hogg, Esquire, of Toronto. I suppose an engineer has the right to find his work wherever he can, but a year or so ago Doctor Hogg was employed by the Manitoba government to give expert advice with regard to the desirability of handing over the Seven Sisters falls, and he then appeared as having been lent by the Hydro-electric Commission of Ontario, a public body. Now he is apparently the engineer in connection with this private concern.

I do not intend to weary the house by going into any further figures or statements in regard to this matter. I want to ask the simple question: In view of the facts that have been brought out this afternoon—and I think most of them are indisputable—what does the government propose to do? That is what we are all interested in. We are not here—at least I am not—to make definite charges, but I am here to give wider publicity to some of

the facts which have been before the public now for some weeks in these prospectuses and in the statements that have been issued by these investment companies. It seems to me that now that the facts are known to the public, it is for the government to act. I do not think they can evade their responsibility by simply asserting that this is a Quebec matter. It is not a Quebec matter; it is a Dominion matter. It is a Dominion matter because the order in council, without which this company could not have been organized, was passed by the Dominion government and the government has it entirely in its own power to cancel that order in council.

Only last year when some of us were urging that these properties should not pass irrevocably out of the hands of the country without parliament being asked to make a pronouncement, the Prime Minister told us that under the Navigable Waters Protection Act the power to cancel was already in the hands of the government. That power being in the hands of the government, surely we have brought sufficient evidence before the government to warrant a revocation of that order in council. Further, I would pass on the suggestion which came from the hon. member for Bow River. In a matter of as great concern as this, we ought to have an investigation by the Department of Justice. I do not mean a narrow, departmental investigation; the Department of Justice should take the initiative in making such an investigation as would convince the general public that their interests are to be safeguarded in the future and as would prevent a corporation of this kind fastening itself upon not only this generation but generations to come.

Turning water into gold! You talk about morality; you try to impress morality upon our young people throughout the country; but how are we to have either personal or national morality if a few individuals are in this way to be permitted with impunity to make their millions out of their fellow citizens?

Hon. E. B. RYCKMAN (East Toronto): Mr. Speaker, I believe I am as anxious as any other hon. member to see the early prorogation of parliament and an opportunity to try our fortunes at the polls. I cannot, however, let this occasion pass. I do not think I shall traverse any ground already covered in this debate, but there are two considerations which drive me to my feet.

In the first place, I do not believe the Minister of Public Works (Mr. Elliott) made a fair presentation of the case this afternoon. I know there are within his knowledge certain facts which should have led him to say something other than he did. I took down his words, and the effect of them was that he was approached by the Beauharnois Light, Heat and Power Company with a lease of such rights as are owned by the province of Quebec. That is one statement which, after the word "lease" will appear in Hansard to-morrow. Another was that they were dealing with water power rights which the province of Quebec have the right to grant. Then he wound up by telling the hon. member for Bow River (Mr. Garland) that he was in the wrong tribunal. He did not attempt to answer the case; in fact I would say he rather admitted it. That is one reason why I am driven to my feet. I am prepared for any change of base or front on the part of the government, but I am not going to let that change take place unless I have a chance, if I believe public honour and the interest of the people are involved, of saying that what is done is contrary to what is right, contrary to what a government should do.



Listen to this: for two weeks in October, 1928, I sat in the Supreme Court of Canada, day in and day out, as many other counsel did, I with two other counsel, representing British Columbia, the government represented by more than half a dozen counsel, and every province in Canada represented. What was the occasion? It was what was known as the waterways and water powers reference. It was action on the part of this government. They asked the Supreme Court of Canada, by answering certain questions to tell them who owned the water powers, who had the right to the property in the water of the rivers and streams of this country. Shortly stated, that is what the supreme court was asked to do. The government was represented by a number of very distinguished counsel who said over and over again—and this is in the notes which I have; I have not had an opportunity to refer to them, because I did not know until this afternoon that this debate was coming up—that they were instructed by the Attorney General for Canada—they did not say the Minister of Justice—to contend that His Majesty in the right of the Dominion held the propery in and control of all the waters in all the navigable rivers and streams of this country, and further, mark you, that the Dominion of Canada owned all the power that could be developed from those waters. Therefore, all the Beauharnois Company had or could get or has now is the property of the Dominion government.

We cannot go into the legal argument, but there is in connection with it a point that is so important I know it will be appreciated by

some. The chief point in this two weeks' session was: Is there or is there not a public right of navigation? Every province but one declared that there was not a public right of navigation. The contention of the counsel of this government was that if there was a public right of navigation then under the British North America Act, section 91, supplemented by section 92, it followed beyond any contradiction that the Dominion of Canada owned the water powers and had the property in the water in the rivers and streams of Canada.

The case of the provinces—I am speaking generally—was weakened by one fact. The eminent counsel for Quebec, the late Eugene Lafleur and Mr. Geoffrion, said that they could not contend that there was not a public right of navigation in the province of Quebec. Therefore, if the contention of the government's counsel was right, there was, following a public right of navigation in the province of Quebec, the ownership and control of all the water powers in the province of Quebec by the Dominion of Canada. Therefore, when the Minister of Public Works says that he was approached with a lease given by the province of Quebec, which purported to deal with these water powers, I ask him and the Prime Minister (Mr. Mackenzie King), when did they surrender this important ground? There was no other ground. When did they surrender this ground which took them to the supreme court asking for a decision of the court as to who was entitled to the water powers and the electrical energy developed therefrom in the Dominion of Canada? That was the whole case; there is no question about it.

As has been stated, the questions submitted to the supreme court were not answered. If the question of a public right of navigation had been admitted by all the provinces, I believe that the supreme court would have answered the questions. Those who will take the trouble to read the reasons for judgment given by the justices of the supreme court will readily see that there was much to be said on behalf of the government of the Dominion of Canada owning all the water powers that could be developed upon any navigable stream in this Dominion.

This order in council, Mr. Speaker, is a wonderful document. Remember, it was drawn up after this hearing before the supreme court. Its drafting is artistic; there is no doubt about that. On page 6 of the order in council, with the margical note "Reference to supreme court" it says:

> That in view of the combination of the two questions of power and navigation, it was deemed advisable to refer to the Supreme Court of Canada, a series of questions to the end of determining the respective rights of the Dominion and provincial governments in the development of power. The supreme court has recently submitted the result of its consideration of the various questions asked. The conclusions of the court do not furnish sufficient ground to establish a well defined line of action with respect to power but as the question of fully protecting navigation is the dominant issue so far as the Dominion government is concerned, it is found that favourable consideration may be given to the proposal of the Beauharnois Light, Heat and Power Company, which, with certain modifications, may be utilized for the requirements of navigation in that stretch of the river.

There was not one counsel, Mr. Speaker, who was bold enough to get up and even murmur during all the course of that hearing that there was any claim that the navigation of navigable waters could be interfered with by any province. That is altogether aside from the question, and whoever drew up that order in council ought to have known it. But it does say, as will be noted, that there was involved the question of the ownership of power. I have forgotten just when the judgment was delivered, but the hearing was in October, 1928, and judgment was given about six weeks or two months afterwards.

What I wish to refer to next is the debate that was held in this house on February 19, 1929, when the government was asked not to pass this order in council in favour of the Beauharnois Company. One would think, after hearing that this Beauharnois power was such a valuable asset—its value was scaled up this afternoon to $308,000,000—that a government that was anxious to keep for the people of Canada all that they were entitled to would have done something to have this question of ownership settled. Beauharnois power is only one power. There are thousands in this country, all valuable. The Dominion government took care to go to the courts with counsel. A return was made as to the cost, and while I do not remember the exact figures, I am sure that the hearing cost $100,000. Add that to the $308,000,000. Remember that every province in the Dominion of Canada was represented by one or more counsel, and that two weeks were occupied in the hearing of this case. The judges could not answer the questions submitted because, they said, some of them were not properly framed. I do not suggest that they were deliberately not properly framed. It was known that this application of the Beauharnois Company was before the government. what would be the natural thing for any business man to do under those circumstances, where hundreds of millions of dollars were

involved, and that is no exaggerated statement? Would not care have been taken to ascertain who owned the water-powers, and who was entitled to the money that might come from their development, who was going to enjoy such a splendid property producing such magnificent services. Would that not have been the natural thing to do? But it was not done.

I come now to the 8th day of March. We find that while this matter was still in suspense and undecided, while nothing had occurred to weaken the government's case, but rather the opposite, while the government certainly had a case that should be decided on its merits, this important order in council was passed in favour of the Beauharnois company.

The government, Mr. Speaker, has failed in its duty, and I say that that admits of no contradiction. If this Dominion of Canada in its right as against the provinces is entitled to untold millions of property, then that question should be decided. As I said, the hearing before the supreme court took place in the month of October, 1928. No further step in relation to deciding who owns this water-power has been taken by the government now in office. It should have been taken; it must be taken. Speaking wholly for myself, I say that after this next election, of my own motion I am going to ask the leader of my party to see that the question is determined whether the Dominion of Canada, which we all represent, is entitled to this property worth millions of dollars, or whether it can be given away by those who do not own it.

In conclusion, I desire to say that I think it very strange that there is no representative Tory in this Beauharnois group. Do not imagine that it is on that score that complaint comes. They were assisted in every way. The Minister of Public Works said: We had nothing to do but to accept this lease which was made by a lessor who might not have had the power to grant it. I say, Mr. Speaker, yes, the government did have something to do. At a private sitting in with these people you gave them the land for their locks and all their appurtenant works; you made it nice and easy for them. The whole thing was on the skidway in favour of these men and against the interests of this country, and the government saw that it was done.

Let me refer to the debate which took place last session. It will be found on page 786 of Hansard of March 8, 1929. The Minister of Public Works then said something different from what he says to-day.

[Mr. Ryckman.]

Mr. GARLAND (Bow River): There was no debate then; it was simply a statement by the minister.

Mr. RYCKMAN: Well, it is on page 786 of Hansard, the bottom of the second column:

> From the foregoing it will be apparent that in granting its approval under the Navigable Waters Protection Act, of the plans and site of the Beauharnois Light, Heat and Power Company, the department has fully and adequately protected the public interest both with respect to conditions as at present existing and as regards all possible future development of a greater St. Lawrence shipway.

Let any hon. member review the situation. Look to what lengths the government went to have this disputed question heard by the highest court in the land. Look at what the government has done since—nothing at all except to give every benefit to the Beauharnois Light, Heat and Power Company, and all those who have been able to stick their nose in the trough.

Mr. MACKENZIE KING: Before my hon. friend sits down may I ask him if he could tell us what the contention of the province of Ontario and the province of Quebec is as to the ownership of the water powers in the St. Lawrence?

Mr. RYCKMAN: I can certainly answer that question. The contention of both provinces was that they owned the water powers. But it was not so found by the judges of the supreme court. If I read the reasons for judgment correctly the court finds much to support a claim on behalf of this Dominion —His Majesty in the right of the Dominion —that the water powers, the property in the water, belongs to or may be appropriated by the Dominion.

Mr. MACKENZIE KING: My hon. friend has referred to the decision of the supreme court. Would he say that the premier of Ontario does not contend that the water powers belong to the province of Ontario and that the decision of the court entitles him so to believe? And is that not also the position taken by the premier of Quebec?

Mr. RYCKMAN: I cannot speak for the premier of Quebec, nor can I speak for the premier of Ontario. But it would be a very strange thing if the premier of Ontario did not contend in the interests of his government what you are not doing in the interests of your government. Your government contended that the property in the water powers was vested in the Dominion, and although the hearing lasted for two weeks there was nothing admitted by government counsel to discolour your claim.

Mr. SPEAKER: Is the house ready for the question?

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, this house has been listening to what by all odds is one of the most important discussions of this session. The statements made this afternoon by the hon. member for Acadia (Mr. Gardiner) and the hon. member for Bow River (Mr. Garland) were so lucid and the national aspect so apparent that I feel every member must regard this question no longer as one purely of local concern but one that touches the whole conduct of business in this Dominion.

I do not think observations need be lengthy. There was incorporated in the province of Quebec a company known as the Beauharnois Light, Heat and Power Company. It had the right to divert 40,000 cubic feet of water per second from the St. Lawrence river. A very distinguished engineer conceived the happy thought of developing power in the river. He wrote a letter to a friend of his and pointed out that the way in which this could be done was to secure the support of capitalists, and likewise political influence. That letter was read this afternoon. He proceeded to carry into effect his purpose and he succeeded. For those who succeed in the efforts which they honestly make I think no one has a word of condemnation. The public interest becomes important only when private enterprise touches the public in the way that light, heat and power touches them; and it becomes of transcendent importance that every step that can be taken to protect the public interest should be taken.

This government, in its executive capacity, was called upon to determine, through the Minister of Public Works (Mr. Elliott), whether or not permission should be given to divert the water from the river and lake through a canal to another lake. A hearing was arranged and permission was granted. But before the permission was finally granted, the application was amended, and the permission was given to divert only 40,000 cubic feet of water a second from the river through a canal which was to be constructed by the applicant company. The applicant company was the Beauharnois Light, Heat and Power Company, incorporated, as I have said, by the Quebec legislature, and under our law as it stood at that time it was essential that permission should be given by the government of Canada to enable the works to be constructed.

The province of Quebec claims to own the water over the bed of the river, it being in that province, and it bases its claim upon reasons which were presented in the reference to the Supreme Court of Canada and which have always been presented in that sense by the provinces, as the Prime Minister (Mr. Mackenzie King) has indicated. The Dominion of Canada, without having the question finally determined by the court of last resort, or propounding questions that in my judgment would make an answer possible, proceeded to grant the authorization. That authorization was granted upon conditions. This therefore implies that the government realized that it had the right to impose conditions upon the grant of the authorization. The conditions it did impose are set out in the order in council. That was done by the federal government acting in its executive capacity.

We thus have the Beauharnois Light, Heat and Power Company acquired by the engineer, who commenced operations as indicated, with the assistance of capitalists and politicians whose influence he thought powerful enough to aid him in carrying forward his work. That, at least, is his statement of the matter. He did not then proceed to sell the securities of that corporation; and here is where the federal parliament becomes responsible. The Secretary of State granted letters of incorporation to the Beauharnois Power Corporation Limited—not to the Beauharnois Light, Heat and Power Company Limited, that had the licence from the province of Quebec. It was not that company that sold its securities, it was the company created through the instrumentality of the Companies Act passed by this parliament. That company came into being for the purpose of acquiring the shares in the Beauharnois Light, Heat and Power Company Limited and its subsidiary and allied organizations. That company, the Beauharnois Power Corporation Limited, had, of course, to comply with certain provisions of the Companies Act. Hon. gentlemen read this afternoon the statement filed in lieu of prospectus by the ten students at law and lawyers in Ottawa who had no interest in the transaction and who were acting through Ottawa solicitors headed by Senator Haydon. The principal political figure in the company at present is Senator McDougald, who is chairman of the Montreal harbour commission and one of the three managers of the Power Company, according to the prospectus, for a term of ten years.

The company came into being under circumstances to which I have referred. It therefore owes its origin to a Dominion act, and the question before us at the present time is: What safeguards have we, as a parliament, imposed on behalf of the investing and consuming public with respect to this corporation

and others of the same character? I recall a question which was being discussed when I first came to this parliament. The question before us at that time had reference not to a power company but to the question of capitalization of companies. The labourer is worthy of his hire; the engineer with courage, vision and foresight who foresees great possibilities is entitled to just compensation for his efforts. When the public subscribes money to make possible the development of a great enterprise it is very often given an interest in the common shares of the corporation in order to make the proposition sufficiently attractive to induce them to advance their money so as to carry on the undertaking. The next question is: To what extent should those who promote the undertaking and foresee its possibilities be compensated for their foresight, their knowledge and their effort? That question has not yet been answered. It is now more than fifteen years since I stated my views in the House of Commons that something should be done by parliament to indicate the extent to which the free distribution of shares to promoters should take place, and thereafter become the basis upon which rates for a public necessity such as electric current are established. There can be nothing more important; it is important in Manitoba; it is important in Alberta; it is important in British Columbia, and it is important in these great central provinces. There can be no doubt as to the right of the promoter to just compensation for his efforts. But what is just compensation; what is fair compensation; what is a just recognition of the services rendered by the promoter? Mark you, the promoter renders a distinct service; he has had vision and foresight, courage and enterprise, and it has been through his persuasive powers that others have been induced to enter into the undertaking and to provide capital so that it may flourish and develop into a great and powerful undertaking. But, there must be a limit to it, and when that limit may be controlled and is not controlled I attach the responsibility to the government. When the government of this country had the opportunity to exercise control; when they granted permission to this corporation to carry on its operations—for, mark you, it could not function for one day and could not market a kilowatt of power without approval by the government of its plans to divert water from the lakes and stream above to the lakes and stream below—it should have exercised that control. In the face of the story we heard to-day the present situation constitutes an outrageous proposition. In my professional career I have had to do with a great many such enterprises, and I have an idea of what would be just compensation for men who promote, foresee and have vision. When it comes to talking in terms such as we heard this afternoon, will any member of the house say that the consuming public is getting a fair deal? Is the consuming public getting a fair chance to have the rates controlled and the prices fixed for power which is absolutely essential to the development of the country? In the light of what was stated this afternoon, will any member stand in his place and say that the promoter's compensation is just when we begin to talk about a hundred million dollars? It staggers our imagination.

I must confess I had no conception that these figures ran into the millions that they do until I heard the hon. gentlemen make statements this afternoon, and I took the trouble to investigate some of those statements. I find the situation to be simply this, that the gentleman who was the president of the enterprise at the time of the application to this government is no longer the president. He retired, and at the time of his retirement it was openly stated in the public press that he offered to buy or sell, and that he sold his interest in the company for upwards of $3,500,000. He thought that the public were being asked to pay too much to the promoters. I ask the government: What steps were taken to provide for the regulation of rates; what steps were taken to provide against the overcapitalization of this enterprise? I read and re-read the conditions imposed by this government. And what conditions did the government impose: (a) for the regulation of rates; and (b) over the capitalization of the enterprise? None. And so with unrestrained activity this corporation, with the sanction of the government through the offices of the Secretary of State, with three management shares, for a period of ten years is under the control of three men, one of whom is a member of the Montreal harbour commission, and no restrictions, restraints or conditions are imposed by the government of Canada upon the exercise of powers which touch vitally the lives of hundreds of thousands, perhaps millions of people. I wonder if hon. gentlemen realise what it means when they talk about 2,000,000 horse power. Do hon. gentlemen appreciate or understand what the development of this great valley means in industrial life? It means the bulding up of great industries and the creating and promoting of Canadian life. This country can become one of the greatest countries on the face of the globe if we but utilise the vast resources we have at hand. I fancy,

however, that there will not be a Canadian who when reading the story placed on Hansard this afternoon will not regard such action as described a menace to the industrial and economic development of Canada. I make that statement in all sincerity, because I have made it my business to look into the relation between electric power and development. I have studied it. I would ask hon. members to notice the United States across the line; take note of the power they have at Niagara, and compare that power and its possibilities of development with the possibilities which exist in Great Britain. Instead of the British industrialist being able to have an electric motor attached to every shaft in his factory as is the case in the United States, he has to depend upon steam for the development of power. In Great Britain the water power is very limited; there is practically no hydro-electric energy, and they have not yet solved the problem of cheap power as we understand it here. Within a radius of a few hundred miles of the city of Buffalo, 500,000 horse power is available. Go into the modern plant and see there the electric motor attached to every machine; with a twist of the wrist the machine stops, and with another twist it starts. There is no question but that there is a great loss of energy involved in the use of steam power. In this country we are able to utilise the great forces of nature to the maximum and in this way we can produce power cheaply.

But what position are we in? The power that once belonged to Canada and to all the people—and I have a very strong conviction when I use those words—has now passed irrevocably out of our hands. The price at which that power is to be sold for Canadian development is to be passed upon by three managers for the next ten years. That is what it means.

Let us look at this thing fairly. There are the names of the persons concerned; some of them are friends of mine. Does that deter me from the discharge of my public duty here? It does not. My public duty here is to point out just what I am pointing out to this country, that the power development of the great natural resources of power and energy that infuse life into factories and make them efficient instruments for the purpose of making this country great, can come about only by a realization that this development must be under terms and conditions that enable such power to be available to the Canadian people on the cheapest possible terms. These resources are held by us from Providence in trust, not for the few but for all; they are held in trust for the Canadian people and not for the few. I am the last man who would deny to the man with enterprise, initiative and courage just compensation for his efforts, but I ask any hon. gentleman sitting opposite, whether he be a capitalist or otherwise, to read the figures given this afternoon and say whether this country of ours has had a fair deal. We are the beneficiaries; the crown in the right of the Dominion has been the trustee; they and they only could grant the permission, and when they granted that permission did they impose a single restriction or condition that would secure to posterity and to this generation as well the use of that great natural power given to us by Providence, the extent and value of which is such that it should make Canada equal any nation in the world?

That is the question. When we talk as we have been talking about the necessity for protection and why it is necessary to put ourselves on terms of even and fair competition with those who are carrying on mass production in other countries we must remember that one of the most valuable factors, namely the great hydro-electric possibilities of Canada, is now passing out of our hands and cheap production is then rendered less and less possible. I say, sir, that while I sat in my place and listened, as I did this afternoon for the first time, to those speakers and remembered what I have read as to the prices at which securities upon the stock exchanges are being sold, I realized that in its possibilities this was one of the most gigantic enterprises this country has ever had to consider, and the question is well worthy of the consideration of parliament even if it were the day before dissolution.. I am only sorry that it should not have been considered before this. I have been recreant to my duty in that it has not been so considered, and after all I heard during this discussion this afternoon I realized that fact.

I do think, and I say it to the Prime Minister, that this matter should be the subject of judicial inquiry. It should be inquired into; there have been statements made which necessitate that procedure being adopted. why should $3,500,000 be spent for little or nothing? What is the reason for this vast financial scheme? Why, there are now several thousand shares apparently available for sale on the market at $15 per share which, in itself as you will observe, involves a vast sum of money. What is the reason for these things being done without our having some knowledge of just what Mr. Sweezey meant when he pointed out what had to be done in order to secure the results which he has attained? Why was the opinion of the engineers disregarded; why is it that to-day we

find, when we are on the eve of great developments in this country, that the very same engineer travels up to Hamilton and makes a statement that is consistent only with the minority view adopted in this particular case?

Then there is another matter. In western Canada the ramifications of this undertaking have been felt. I ask the Minister of Railways and Canals: What about the foreign press; who controls it? I ask him that question.

Mr. CRERAR: All I can say, Mr. Speaker, is that I do not control it.

Mr. BENNETT: I did not say the hon. member did control it. I asked him who did; I asked him why Senator McDougald travelled out there.

Mr. CRERAR: I can say to my hon. friend that I do not know who controls it.

Mr. BENNETT: Of course I accept my hon. friend's statement as to that, but apparently those near to him have seen to it that he does not know. Why the sudden change in policy in that press? Who controls it to-day? Who was sent out there by the interests in Montreal to make the transfer? Let us have that question investigated and answered also. All I can say, sir, is that while there is no opportunity here this day, in this house, to make this investigation, there will come a time when this matter will be investigated and made known to the Canadian people. That is as certain as anything in the world.

Go to the United States and watch what they are doing there. We talk about our institutions; the United States Senate lays bare everything. What are we doing in this country? We are pussyfooting about matters of this kind, because men think that your friend or my friend may be associated with this matter, and we have not the courage to stand up and talk about it. Well, sir, I value my position in public life, but I would rather be relegated to private life and be there forever than remain silent on an occasion of this kind.

That is what I have to say; let there be no misunderstanding about it. It may mean that I will be subjected to the threats of the great financial powers that are behind this venture. I snap my fingers; that is my answer, and I want the Minister of Railways to go out and investigate and answer to the people of western Canada as to who is responsible for the transfer and sale of the foreign press, so-called, in the city of Winnipeg. Let him go out there and see who is responsible for the references made in these papers now. Bring them home. We know where they stood when the Seven Sisters matter was up. Go find where they are now. There was bound to come a time in the history of this country when we would have what they call a "show down", and now the time has come.



I confess, Mr. Speaker, when I contemplate this matter and when I regard all that is involved in it, not to thousands but to millions of people who some day will fill this great valley around the St. Lawrence, which might become one of the greatest industrial centres in America—the Ruhr of Canada; when I contemplate what those figures meant this afternoon, my feeling of resentment gets the better of me. I ask hon. gentlemen if this thing is to be tolerated. It rests with us, with each of us, to say whether or not it shall be tolerated, and I believe that in the end the common sense of the Canadian people will prevail and that, great and powerful though the promoters have been, they are not sufficiently powerful to control the common sense of the people of Canada.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, I do not wish to adopt the tone of the hon. leader of the opposition (Mr. Bennett); I will discuss this matter in a very cool and, as much as possible, legal manner. One would be rather surprised, having listened to the very warm statement of the leader of the opposition as to our trusteeship in the natural resources of Canada, to recall that when the hon. gentleman had executive responsibility for a short time in 1926, one of the main things to which my hon. friend and his then associates directed their attention was to give away the Carillon power, by order in council.

Mr. BENNETT: I think the hon. gentleman is not quite right.

Some hon. MEMBERS: Order.

Mr. CANNON: What about the high moral ground taken to-night by my hon. friend?

Mr. BENNETT: That is hardly correct; that is not a correct statement, as the documents will show.

Mr. CANNON: I know whereof I speak, and I may say to the house that one of the few things the shadow government did—the shadow government of which the hon. leader of the opposition was one of the main ornaments—was to give away the Carillon power site. Evidently gentlemen on the other side have decided to play a game of bluff in connection with this matter. Well, let us call

their bluff and examine the question as it should be examined. If the hon. gentleman was serious and in earnest, if he really wanted this order in council cancelled, he is enough of a lawyer to know that the proper procedure is not the one suggested this afternoon.

Mr. BENNETT: I did not suggest cancellation.

Mr. CANNON: He knows there is another procedure to be adopted.

Mr. BENNETT: I did not suggest the cancellation.

Mr. CANNON: If my hon. friend did not suggest cancellation, then he does not agree with the other speakers who preceded him.

Mr. BENNETT: There was not a word said by me about cancellation.

Mr. CANNON: If he does not want cancellation, then what was he talking about a minute ago?

Mr. BENNETT: I am glad the hon. gentleman has mentioned this matter. I am enough of a lawyer to know that there could not be a cancellation of that agreement because third parties have acquired rights under it, and bonds have been sold. I did not suggest that, but I did suggest that an inquiry should be made.

Mr. CANNON: My hon. friend, having said that this was a tremendous scandal, having expressed his indignation, now says that things have to remain the way they are. That goes to show how much in earnest the hon. gentleman was.

Mr. BENNETT: The hon. minister will have to do a lot better than that.

Mr. CANNON: The hon. member for East Toronto (Mr. Ryckman) mentioned the reference made to the supreme court, and told us about what had taken place during the fifteen days. I do not intend to go into detail, but I may say that the questions put to the court in connection with this reference had been agreed to after several conferences by counsel for both the Dominion and the provinces.

Mr. RYCKMAN: That statement is not correct.

Some hon. MEMBERS: Order.

Mr. RYCKMAN: I have the right to correct the Solicitor General. I think he will concede that objection was taken to the questions, and those objections are on record.

Mr. CANNON: Objections were taken, but the questions were finally settled upon after several conferences, the last of which was held in my own office, presided over by myself, so I must know what I am talking about. The matter before the court was not a question as to the ownership of the bed of rivers or the ownership of the ordinary water-powers on navigable rivers within a province, but dealt mostly with the ownership of power developed as a result of navigation works undertaken by the Dominion government. That question has not been settled by the court, but my hon. friend is now contending that in so far as the water-powers of Ontario and Quebec are concerned, on the St. Lawrence or on other navigable rivers, those provinces are to be placed in a position of inferiority to the other provinces of this Dominion. Are not these two central provinces entitled to their natural resources as are Nova Scotia, New Brunswick, Prince Edward Island and the western provinces?

Mr. GARLAND (Bow River): The comparison made by the hon. Solicitor General is not a fair one; this is an international stream, not a national one.

Mr. CANNON: Can we contend that the St. Lawrence river, in so far as the Canadian section is concerned, is to be considered as international, and are we to cede our interests in it and say that we cannot deal with that section of the St. Lawrence without consulting the American government or the American people?

An hon. MEMBER: Never.

Mr. CANNON: I am not in favour of that. The Canadian section is Canadian and should be dealt with by Canadians in the interests of Canada. I will not agree with the theory advanced this afternoon by the hon. member for Toronto that because of treaties passed one hundred years ago, which gave to Americans the right of free navigation on the St. Lawrence river, we have to consult them when we want to deal with the Canadian section of our principal river.

Mr. RYCKMAN: I advanced no such theory.

Mr. CANNON: I think the people of Canada will be behind me and not behind the hon. member for Toronto in this connection.

The Beauharnois company is not the only one exploiting power in Canada—there are many others. The provinces of Ontario and Quebec claim that the water-powers within their boundaries are part of their natural resources, and the provincial governments claim the right to dispose of them. Are we

as a Dominon government going into the power business to compete with the provincial governments? I think that would be a very dangerous policy to adopt. If we are going to leave to the provinces in the future as we have done in the past, the disposal of their natural resources, are we going to dictate to them whether those resources should be handled by public or by private ownership?

Mr. RYCKMAN: You went to the supreme court to have it decided that you could.

Mr. CANNON: That is another matter. Are we as a parliament going to tell the province of Ontario that the public ownership is bad and that private ownership should be adopted? Are we, on the other hand, going to turn around and tell the province of Quebec that public ownership is preferable to private ownership and that, therefore, they must change the whole basis of their hydro-electric development? The thing is absurd.

Mr. BENNETT: No one has suggested that.

Mr. CANNON: If no one has suggested that, then why talk about our common heritage having been given away?

Mr. BENNETT: The answer is simple.

Mr. CANNON: The Quebec government has granted this lease, as it has granted other similar leases, and has adopted, whether rightly or wrongly, a policy of private ownership as being the proper way to develop power. Are we going to wipe out provincial autonomy? Canada is composed of nine provinces; there is a federal government and there are nine provincial governments—are those provincial governments to be recognized or are they as entities to be wiped out? If they are to be wiped out, very good, but if they are to be recognized, provincial autonomy has to be recognized in every branch and in every part of Canada, in the west, in the east and in the central portions.

Mr. IRVINE: What would have happened had the order in council not been granted?

Mr. CANNON: My hon. friend has asked a very pertinent question. The rights exercised by the province of Quebec in connection with the Beauharnois company are subject to and restricted by the paramount right of Canada as to navigation. Whenever power is to be developed by a province, either through a hydro commission or through a private company, that development cannot take place unless and until the Dominion government is satisfied that the interests of navigation are protected. In the order in council which was passed conditions were laid down to protect navigation on the St. Lawrence, not only for the present but in the future. We have never done anything more than that. If we are going to change the law, very well, but so long as the law remains as it is to-day, we cannot do anything more than that.

The hon. gentleman mentioned the finances of this company and spoke of fraud and false representations. I am not here to defend that particular financial group; if they have done anything wrong, let them be punished. However, I think every hon. member of this house knows that the administration of justice in Canada is in the hands of the attorneys general of the different provinces. If these people have committed fraud, it is for the Attorney General of Ontario or the Attorney General of Quebec to prosecute. That is another well recognized principle of constitutional administration. It is very well for the hon. gentleman to talk about a gigantic swindle; to talk about unfair rights; to talk about the public being crushed. If that were so, could the leader of the opposition explain why so astute a gentleman as Mr. Ferguson, premier of Ontario, would make a deal with those people for power for his province?

Mr. BENNETT: He cannot get it anywhere else.

Mr. CANNON: If what the leader of the opposition said were true, how could Mr. Ferguson make a deal for 250,000 horsepower with this syndicate?

Mr. GARLAND (Bow River): To help the consumer by financing it.

Mr. CANNON: But if the rates were so high, if people were to be crushed, how could Mr. Ferguson, who has public ownership in Ontario, be able to buy from a privately owned company power at a rate which would emable him to sell that power in Ontario? The whole thing is ridiculous when you come to think of it.

This is my last word. The leader of the opposition is more familiar with the financial world than I am, unfortunately for myself, I shall admit; but when I was listening this afternoon to the hon. member for Bow River (Mr. Garland) giving the names of the financial firms which were interested in this Beauharnois issue, I said to myself: Since when have these people become dishonoured? They are the leaders of our financial world. Since when have they become thieves? Since when have they done things by reason of which the Canadian people should withdraw

their confidence and trust in them? They are the leading financial houses of Toronto, Montreal and all our other great centres. Will the hon. gentleman dare say those people are not honest? I know he will not.

Mr. BENNETT: I did not.

Mr. CANNON: And the hon. member would not.

Mr. JACOBS: It would be dangerous to do so.

Mr. BENNETT: Not one bit. I am not afraid of the danger.

Mr. GARLAND (Bow River): The hon. gentleman will remember that we gave the same trust and held the same opinion of honesty with regard to some of the other brokerage houses in the country.

Mr. CANNON: This is not a brokerage house. These are people who have been dealing with the Canadian public for years. It is easy to rise in one's place in the house and try to throw suspicion, but we must have something more serious than that before cancelling an agreement of this kind.

Mr. RYCKMAN: These honourable people, against whom I shall not say a word, state that the hon. member's government has given them 2,000,000 horsepower.

Mr. CANNON: They do not say that.

Mr. RYCKMAN: Yes, they do.

Mr. CANNON: They do not say it and they cannot say it. They say they hope they may get it, but we have to stand by what we have done and not by what people say we might do. What we did was to protect the interests of navigation; we refused to give the complete flow of the St. Lawrence when they asked for it, and what we shall do after the election, because again we shall have the executive authority, will be to protect the interests of navigation.

Mr. IRVINE: Would the hon. member explain the purpose of the joint commission that was appointed to investigate the whole power question on this river and the reason for the government's disregard of the recommendations of that commission, because the charge was made that they disregarded them?

Mr. CANNON: First of all, this being a technical question, I do not know that I can answer my hon. friend very well; but as to the other part of his question, when he speaks about disregarding recommendations, I may say that we did not disregard them; on the contrary we adopted the plan in favour of which the majority of the Canadian engineers stood.

Mr. GARLAND (Bow River): What about the joint board?

Mr. CANNON: I am talking about Canadians dealing with Canadian affairs.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman shall have leave to withdraw his motion?

Motion (Mr. Gardiner) withdrawn.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### EGG GRADING REGULATIONS

Mr. ROWE:

1. Have any charges been laid against one Wesley Hamilton of Chesterville, Ontario, for infractions of the regulations respecting the grading of eggs?
2. Did the said charges come to trial?
3. If not, on whose instructions were the said charges withdrawn?
4. Why were the said charges withdrawn?

Mr. MOTHERWELL:

1. Yes, one—the purchasing of eggs at a flat rate in lots of fifteen dozen.
2. No.
3. Deputy minister.
4. The regulations provide that clause 10 (1), the return of the graded payment, shall not apply when producers market their eggs in less than fifteen dozen in any one day.

The charge was withdrawn because it was not deemed advisable to press the charge on a technicality (that is the buying of one egg more at a time, without grading, than the law actually permits), Mr. Hamilton advising that he misunderstood the regulations in the belief that the purchase of an even fifteen dozen was within the law.

### PATROL BOAT PHALAROPE

Mr. GRIMMER:

1. Were any repairs made to fishing patrol boat, Phalarope, in the year 1929?
2. If so, who made the repairs, and what was the total cost?
3. What was the nature of the said repairs: (a) to the hull; (b) to the machinery?
4. Was a new engine or other machinery installed?
5. If so, what was the cost of installation?
6. Were tenders called for the new engine?
7. If not, why were tenders not called for?

Mr. CARDIN:

1. Yes. New engine installed.
2. Installation of engine by Saint John Dry Dock and Ship Building Company, Saint John, N.B. Cost $2,195. Engine purchased from Canadian Fairbanks Morse Company, Saint John, N.B. Cost $5,265. Total cost, $7,460.
3. Answered by No. 1.
4. Answered by No. 1.
5. Answered by No. 2.
6. Yes.
7. Answered by No. 6.

GRANDE ANSE—ARICHAT MAIL CONTRACT

Mr. MACDONALD (Richmond-West Cape Breton):

1. How many tenders were received by the Post Office Department regarding mail contract, Grand Anse to Arichat?
2. What are the names of the respective tenderers?
3. What was the amount of each tender?
4. What are the securities of the successful tenderer?
5. Why was the old contractor, Nicholas Poirier, not given a chance to renew his contract?
6. Were the tenders closed on January 17th, and the contracts not awarded until March 20th?
7. If so, what was the reason of the delay?
8. Will the government table all correspondence, letters, telegrams, etc., in reference to the above contract?

Mr. VENIOT:

1. 8.

2 and 3.

| | |
|---|---|
| Charles Linden | $ 1,270 |
| Jeffrey H. Poirier | 1,270 |
| Nicholas T. Poirier | 1,325 |
| George Landry | 1,400 |
| Alex. Marchand | 1,500 |
| Amédée Emile Poan | 1,790 |
| Arthur Hureau | 1,900 |
| W. J. Doiron (late) | 1,565 |

4. Allen Morrison and Alfred Linden
5. Department decided to invite tenders.
6 and 7. Tenders closed on 17th January and contract awarded on 11th March, 1930.
8. Yes. These documents will be laid on the table as soon as they can be prepared.

## WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Customs tariff—388d. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

[Mr. Grimmer.]

The CHAIRMAN: When the committee rose last night, we were considering item 388(d).

Hon. CHARLES A. DUNNING (Minister of Finance): I would like the Minister of Railways to move for me an amendment that the British preference rate be 15 per cent instead of 10 per cent. This is the wide n.o.p. item of finished construction steel and it includes a very extensive range of articles.

Mr. BENNETT: Was this change recommended by the Tariff Advisory Board?

Mr. DUNNING: Yes.

Mr. CHAPLIN: What are the importations?

Mr. DUNNING: The importations were $165,000, of which $60,000 came from the United States.

Item as amended agreed to.

Customs tariff—389. Provided: That upon any article or commodity enumerated in tariff items 377, 377a, 378a, 378b, 378c, 388a, 388b and 388c of this schedule, not being of greater value than 6½ cents per pound, there shall be levied, collected and paid, under regulations prescribed by the minister, in addition to the rates of customs duties enumerated in such said tariff items, an ad valorem surtax of five per centum when any such said article or commodity contains:

(a) Vanadium, 0.15 per centum or more, by weight.
(b) Molybdenum, 0.15 per centum or more, by weight.
(c) Nickel, 0.4 per centum or more, by weight.
(d) Chromium, 0.4 per centum or more, by weight.
(e) Tungsten, 0.4 per centum or more, by weight.
(f) Cobalt, 0.4 per centum or more, by weight.
(g) Manganese, 1.0 per centum or more, by weight.
(h) Silicon, 1.0 per centum or more, by weight.
(i) Any other element, not being iron or carbon, in excess of .5 per centum by weight.

Mr. CHAPLIN: What are the importations under this item?

Mr. DUNNING: This is a provision to enable us to take into account the various alloy contents of the different kinds of steel. We are providing for a surtax based on the alloy content. The values of these alloys vary considerably, and some means was required to differentiate between them. This item is a development of the former item 385, chrome steel, which carried rates of 10, 12½ and 15 per cent. As a result of the improvements effected in the manufacture of iron and steel, chromium steel is not now much used. A

great many other alloys are now being used. The old tariff did not cover the modern developments which have brought other steel alloys into use. In order to deal with the different varieties of alloys, it is proposed to impose this surtax based upon the percentage by weight of the various alloys—vanadium, molybdenum, nickel, chromium, tungsten, cobalt, manganese, and silicon. The steel industry in general and all those interested are in agreement with the proposal.

Mr. CHAPLIN: If chromium, tungsten and manganese are used in one alloy, will the same duty apply, or are there different duties?

Mr. DUNNING: The tax will be chargeable on the amount of each. If there is 0·15 per cent or more of vanadium and 0·4 of molybdenum, there will have to be a combination of the two.

Mr. CHAPLIN: How is the department to check up on a thing of that kind? Will there have to be an analysis of each piece of steel that comes in? I ask the question only for the information of the trade.

Mr. DUNNING: My hon. friend understands that the application of the proviso is restricted to materials of the value of 6½ cents per pound or less. It will at the commencement be necessary to proceed upon the basis of declaration until there can be evolved for administrative purposes the means of determining the amount of these various materials in each alloy. So far as the industry is concerned, they have all undertaken to cooperate in the fullest possible degree in providing the necessary information to enable the department to function under this provision.

Mr. CHAPLIN: That is all right enough for articles made in this country, but I am speaking of importations; how are you going to handle them?

Mr. DUNNING: Upon the basis of information supplied by the industry in this country.

Mr. CHAPLIN: Surely not on the basis of information supplied by the industry in this country?

Mr. DUNNING: Yes, as to the methods of ascertaining or checking the declarations made by the importer.

Mr. CHAPLIN: If I import steel from Pittsburgh containing a certain percentage of manganese, chromium and tungsten, have I to be subjected to the industry in this country telling—

Mr. DUNNING: No, no.

Mr. CHAPLIN: What I want to know is how is the customs department going to handle it?

Mr. CANTLEY: It is absolutely impossible for the minister or any officer in the Department of Customs to put this provision into effect. It cannot be done. I would point out to the minister one thing. He referred to the old item of chrome steel. That item has been on the statute book for more than forty years. What was it? It was a mixture of chromium and steel rolled into plate for burglar proof safes and prison vault doors. It has not been used for twenty-five years. It was produced by only one concern at Brooklyn, New York, and has not been made for many years. It is impossible for the minister to put this provision into effect. Suppose I bring in an alloy steel with a certain proportion of chromium, nickel and tungsten, which is not unusual. How are you going to determine the proportion of each material entering into that alloy steel? The minister says by declaration. Will he allow me to import other materials and simply make a declaration as to their contents? Here we have something that has been produced by that blessed institution which bears the name of the tariff board.

Mr. DUNNING: No, it has been unanimously agreed to by the steel industry.

Mr. CANTLEY: That story won't go.

Mr. CHAPLIN: If I import this steel, have I got to take information from somebody at Hamilton or down in Nova Scotia or up at the Soo?

Mr. DUNNING: No.

Mr. CHAPLIN: Then who in the department will be able to tell anything about it?

Mr. DUNNING: My hon. friend will see that this applies to ingots, blooms, slabs and billets, hot-rolled bars and rods, heavy structural shapes and shapes less than 35 pounds—

Mr. CANTLEY: To which item is the minister referring?

Mr. DUNNING: To this item.

Mr. CANTLEY: I thought the minister was referring to item 389.

Mr. DUNNING: Yes, and 389 applies to the materials to which I have been referring, and the industry advised me that as to these six forms it could be definitely ascertained by the customs whether the declarations made by the importers were correct. I have to rely on technical advice in matters of alloy steels,

and that is the advice I get from those who know most about it. My hon. friend says that this comes from the tariff board—yes, and was agreed to by those who understand this business and are engaged in it.

Mr. CANTLEY: There is only one way in which the minister can get information as to the amount of the various alloys the steel may contain and that is by taking drillings of each of the bars, billets or ingots as the case may be and submitting them to chemical analysis for a determination of the proportion of each.

Mr. DUNNING: That may have to be done.

Mr. CANTLEY: It cannot well be done in general practice.

Mr. DUNNING: Will my hon. friend please explain to me why a provision of this kind in connection with alloy steel is included in almost every customs tariff in the world?

Mr. CANTLEY: No, I cannot, because the suggestion is not correct.

Mr. ROSS (Kingston): Has the customs department expressed the opinion that this is practicable?

Mr. DUNNING: No difficulty has been raised by the customs in connection with it.

Mr. ROSS (Kingston): That is not an answer. Have they expressed the opinion that it is practicable?

Mr. DUNNING: They have been over all the items, this among the rest, and there has been no objection.

Mr. CHAPLIN: I happen to know something about this business, because I am importing some of these articles, and I want to know how it is going to be handled by the customs. Are you going to take the invoice and declaration of the mill at Pittsburgh? If so, that will simplify it; but if before I pass an entry I have to wait so that these things may be tested, I want to know it.

Mr. DUNNING: There is no question about it. My hon. friend has had experience with the customs in bringing articles in, and they will of course, accept his declaration. But if his declaration on examination should prove to be false—well, he knows what would happen.

Mr. CHAPLIN: Are the customs department going to establish an analysis branch?

Mr. DUNNING: They may have to. That is already being done in some countries.

[Mr. Dunning.]

Mr. CHAPLIN: That is the only way in which you can do it if you are going into details of that kind.

Mr. WHITE (London): The member for Lincoln asked a question a short time ago to which I do not think he received an answer. Suppose steel is imported having three of these elements in greater proportion than those mentioned, would the surtax be 15 per cent, or only 5?

Mr. DUNNING: If it contained those elements to the extent of the minimum percentage of each here set out, then that would be the case.

Mr. CHAPLIN: This is making a very high tariff. I think it is more than the steel people asked for.

Mr. DUNNING: My hon. friend is not forgetting the limitation—not being of greater value than 6½ cents per pound?

Mr. CHAPLIN: I am not overlooking anything. It is a matter in which I am directly interested

Mr. DUNNING: It makes a great deal of difference.

Mr. CHAPLIN: I know and the chances are it is not going to exceed 6½ cents per pound.

Mr. DUNNING: In your case.

Mr. CHAPLIN: No, not in my case. I asked this question of the minister before, and he then did not give me the same answer that he is giving me now.

Mr. DUNNING: What question?

Mr. CHAPLIN: If three of these elements were present in the steel in the proportions here set out, would the duty be the same or would there be three duties? For example, suppose tungsten and manganese were present, would there be two duties or one? Frequently those articles contain three of these elements; then would the duty be 15 per cent?

Mr. DUNNING: I see my hon. friend's point now; I did not get it clearly before. My impression is—but I want to have time to go into it a little more carefully—that 5 per cent is the maximum. But reading the item in the light of what my hon. friend says, I do not think that is clear.

Mr. BENNETT: I agree.

Mr. DUNNING: I am not sure; but as to the principle I have not any doubt.

Mr. CHAPLIN: If the minister would find out and have it specified in the tariff we will know in future just what it is.

Mr. DUNNING: Yes, we will let the item stand to clear up that point.

The CHAIRMAN: Item 389 stands.

Mr. BENNETT: I think the minister will find it desirable to know what the customs department ruling will be with respect to it. I have followed this with some care because of a certain experience of a friend of mine some time ago with respect to a particular steel alloy into the composition of which certain elements entered. Certainly as it stands now the item is not at all clear. Is there any necessity of specifying the quantity of each of the elements? Why not say that alloy steel containing these elements at all should pay an extra surtax of 5 per cent?

Mr. DUNNING: My hon. friend's mind travels along as mine did when I first saw this item; but the difficulty is in the widely varying values of these alloys.

Mr. BENNETT: Yes.

Mr. DUNNING: Some of them run as high as $30,000 to $40,000 per ton.

Mr. BENNETT: We do not import much of that.

Mr. DUNNING: I will let the item stand and look into it further.

Item stands.

Customs tariff—390. Castings, of iron, malleable, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—390a. Castings, of iron, nonmalleable, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—390b. Castings, of steel, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—391. Castings, of iron or steel:

(a) Being ingot moulds for use in the production of steel: British preferential tariff, free; intermediate tariff, free; general tariff, free.

(b) Being moulds, n.o.p.: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. CHAPLIN: In this item you have ingot moulds in (a) and in (b) moulds not otherwise provided for.

Mr. DUNNING: That is intended to cover all moulds made of iron or steel irrespective of their intended use.

Mr. CANTLEY: What are they?

Mr. DUNNING: They are provided for in the tariff at present, and I hesitated to cut them out, not knowing what industry might be affected.

Mr. CHAPLIN: Ingot moulds have always been free. These are moulds that we know nothing about.

Mr. DUNNING: They are covered by present item 456, and came in to the value of $304,000.

Mr. CHAPLIN: What country did they come from?

Mr. DUNNING: The United States.

Item agreed to.

Customs tariff—392. Forgings, of iron or steel, in any degree of manufacture, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—393. Tires, of steel, in the rough, not drilled or machined in any manner, for railway vehicles, including locomotives and tenders: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Item agreed to.

Customs tariff—394. Axles and axle bars, n.o.p., and axle blanks, and parts thereof, of iron and steel:

(a) For railway vehicles, including locomotives and tenders: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(b) For other vehicles, n.o.p.: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

(c) N.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—395. Sections, of iron or steel, not being ordinary square, flat or round bars, whether forged and punched or not, unfinished, when imported by manufacturers of hames for use exclusively in the manufacture of hames, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—395a. Blanks, of iron or steel, when imported by manufacturers of milling cutters for use exclusively in the manufacture of milling cutters, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—396. Pipe, cast, of iron or steel, valued at not more than five cents per pound, per ton: British preferential tariff, $5; intermediate tariff, $9; general tariff, $10.

Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.

Mr. WHITE (London): What were the imports of this item?

Mr. DUNNING: The imports were $201,000, of which $90,000 came from the United States, $67,000 from France, $19,000 from Belgium, and $17,000 from the United Kingdom.

Mr. WHITE (London): Is it not the case that the proviso was inserted to prevent cast iron pipe coming from France?

Mr. DUNNING: The French duty on cast iron pipe has recently been raised to as high as $18 a ton.

Item agreed to.

Customs tariff—396a. Pipe, cast, of iron or steel, n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. CHAPLIN: Why was this change made from specific to ad valorem?

Mr. DUNNING: It is a new item to cover pipe which is cast but of steel. Only within the past few weeks has cast steel pipe been drawn to the attention of the customs authorities as a commercial commodity, and as such pipe seems likely to become very commonly used, it has been deemed advisable to provide for it under this revision. A new item is necessary, as the former term "cast iron" could not accurately describe this article.

Mr. CANTLEY: What is this pipe used for; where is it produced, and is it steel or iron pipe?

Mr. DUNNING: It is cast steel pipe and has been entered in Canada for duty for the first time within the last few weeks, during the preparation of the budget. This is the first time that the customs department has heard of it.

Mr. CANTLEY: What is it used for? Does it take the place of soil pipe?

[Mr. Dunning.]

Mr. DUNNING: The sample which was sent by the Department of National Revenue was of stainless steel, cast, and the analysis showed 18 per cent chromium, 8 per cent nickle and 74 per cent iron. This pipe, I understand, was valued at 50 to 60 cents per pound as compared with 2 cents per pound for cast iron pipe of the same diameter. That emphasized the necessity of making provision for it. I have no information as to what cast steel pipe is used for, but I have learned that already one Canadian firm is making cast iron pipe by a method similar to that followed in the making of cast steel pipe, by gas and oil in a dry sand mould, centrifugally rotated. Such pipe is described as "sand-spun pipe". It is a recent development.

Mr. CANTLEY: I am familiar with spun cast pipe, but the pipe in question contains a considerable proportion of chromium.

Mr. DUNNING: Yes, it contains 18 per cent chromium, 8 per cent nickel and 74 per cent iron.

Mr. CANTLEY: It must be a high priced pipe.

Mr. DUNNING: It is.

Mr. CANTLEY: And it could be used only for some purpose unknown to me and in small quantities. What is it used for?

Mr. DUNNING: It was submitted to the customs for entry, and for the first time the distinction was noticed. There was a very wide difference in value between cast iron pipe and this article. Hence I ask parliament to make provision, seeing that an effort is being made to get it into the country, for a classification that will enable the customs department to charge a duty proportionate to the value of the pipe.

Mr. CANTLEY: I am not finding fault, but I am seeking information because it is absolutely new to me. I am wondering for what purposes this pipe can be used, and I was hopeful that the minister might be able to give some information.

Mr. DUNNING: I am sorry I cannot.

Mr. CANTLEY: I suggest that the quantities imported for some time will be comparatively small.

Mr. DUNNING: I would expect so.

Item agreed to.

Customs tariff—397. Pipes and tubes, of wrought iron or steel, plain or coated:

(a) Welded or seamless, with plain or processed ends, not more than 10¾ inches in diameter, n.o.p: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(b) Welded or seamless, with plain or processed ends, more than 10½ inches in diameter, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

(c) Not joined, with plain ends, not more than 2½ inches in diameter, n.o.p.: British preferential tariff, 5 per cent; intermediate tariff, 10 per cent; general tariff, 15 per cent.

(d) No.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—398. Pipes and tubes, of steel, seamless, cold drawn, plain ends, valued at not less than 5 cents per pound, n.o.p.: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Item agreed to.

Customs tariff—399. Pipes, tubes and flues, of wrought iron or steel, not further manufactured than in straight lengths with plain, swelled or thickened ends, when imported by manufacturers for use exclusively in the manufacture or repair of pressure parts of boilers, pulp mill evaporators and vessels for the refining of oil, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: I have an amendment to that item. There is no change in the rate but there is a change in the description owing to a possible misunderstanding of the wording. I shall read the amendment.

Pipes, tubes and flues, of wrought iron or steel, not further manufactured than in straight lengths, with plain, swelled or thickened ends, when imported for use exclusively in the manufacture or repair of pressure parts of boilers, pulp mill digesters and vessels for the refining of oil, under regulations prescribed by the minister.

The difference is that the words "by manufacturers" are omitted in the amendment. Representations have been made to us by people who use these articles that this is a servicing proposition and that the manufacturers themselves do not import them; they could not carry the required range. These articles, however, are imported for them by the firms engaged in the business and the words of the original item would not permit the importation under the rate by anybody else but manufacturers. The organization of the business is such that they are imported by service organizations which carry a large stock for the use of manufacturers.

Mr. CANTLEY: The fact is that boiler tubes have been imported for years and years by the wholesale people who handle boiler plate and boiler tubing, and I presume they found some way to meet the situation referred to by the minister.

Mr. DUNNING: Previously they could meet it, but by the wording of the new item—

Mr. WHITE (London): I would like to refer to this matter of boiler tubes, straight lengths only. Heretofore it has been possible to bring in bent tubes under the same item. There are many Sterling boilers with bent tubes in this country which come from the United States. They have bent tubes of many different types, with many different degrees of bend, and the owners of these boilers will be under the necessity of paying 30 per cent duty or else getting them bent in Canada. The manufacturers of those boilers have the dies which are required for the bending of the tubes, and it strikes me that if bent tubes were allowed in it would be no hardship to anybody, and it would certainly be a relief to Canadian owners of bent-tube boilers.

Mr. DUNNING: It is a fairly big concession to allow them to have straight tubes free and bend them in their own plants.

Mr. WHITE (London): They have to have special machinery for that kind of work. There are many kinds of water-type boilers with bent tubes, and there are many Sterling boilers in Canada. Boiler tubes have always been admitted free of duty. The only difference is that this is restricted to straight tubes whereas heretofore the bent ones were allowed in.

Mr. DUNNING: It was discussed during the hearing before the tariff board. My hon. friend can understand that there was opposition to this item from those who were engaged in making pipes; they wanted the item removed, and they considered that their industry should have some tariff protection.

Mr. WHITE (London): So far as I know, they have not yet been made in Canada.

Mr. DUNNING: True, but the pipe people contended that if they got a chance they could make them. They wanted this free item removed in order to give them a chance, and we are advised that they will make the pipe this year. It is another of those compromises between manufacturers, and I hope my hon. friend will accept it, because it would be difficult to widen it.

Mr. WHITE (London): There would be no objection to putting a duty on tubes made in Canada, but in this case they are not yet made. I am referring only to special tubes which are bent to suit certain particular types of boilers, and there are many of those boilers in use.

Mr. CANTLEY: I think the minister had better leave this item. I would suggest that it should read "thickened, with straight or bent ends". It will not make any difference if the item stands.

Mr. DUNNING: When the industry has agreed to compromise between the two classes of manufactures, I do not like to change the item which was so fully discussed between them.

Mr. CANTLEY: I am quite sure the minister misapprehends the facts of the case. I would like to see boiler tubes made in this country, and I hope they will soon be made. Of course they will not be made under an item such as this. The suggestion of the hon. member for London is worthy of consideration; if the tubes come in with thickened ends they might as well be bent to the shapes required. It refers to only the Sterling boiler; the Babcock boiler has a straight tube.

Mr. WHITE (London): The minister referred to some discussion. Did not that discussion originate on the question whether or not we should have a duty on boiler tubing, and not as to whether they should be bent or straight?

Mr. DUNNING: It arose out of that discussion, yes.

Mr. WHITE: As soon as they are made in Canada, I shall have no objection to the imposition of a duty.

Mr. DUNNING: The thickened ends are a concession by those in the business to those who use the tubes.

Mr. WHITE (London): But the thickened ends are only one part of the manufactured article. The thickened ends will be for one type; the bent ones without thickened ends are for another type.

Mr. DUNNING: I should like to meet my hon. friend, but I do not think I had better break away from the arrangement that was made. As far as the government is concerned, it is not sacrificing anything; it is merely holding the balance fairly between two different industries within the same group.

Mr. WHITE (London): This matter to which I refer is only for repairs to boilers already installed. They have come in free of duty to start with, and if this matter of bent tubes is not adjusted we are up against a 30 per cent duty.

Mr. DUNNING: There is no difficulty, as my hon. friend pointed out, in bending the tubes in Canada. Why should not that work be done here?

[Mr. J. F. White.]

Mr. CANTLEY: Mr. Chairman, there is a difficulty, and that is just what the minister unfortunately does not apprehend. I do not blame him for that; it is rather a technical matter. Ten times as much labour is involved in thickening the end as in bending the tube, but it is essential that the tube be bent to an exact arc of a circle, and that each tube be bent to the same arc.

Mr. DUNNING: I suppose I will have to take the responsibility with the industry if I yield to my hon. friend's request. The hon. member for London puts it so reasonably that I find it hard to refuse. Can he assure me that there will not be any difficulty if this request is granted?

Mr. WHITE (London): I do not see it. Just to reassure the minister let me say that these tubes of which I am speaking are bent to a certain radius and for certain lengths and sizes of tubes. They are specialties as far as certain makes of boilers are concerned.

Mr. DUNNING: Things appear so simple when they are put up from one side; that is the difficulty.

Mr. WHITE (London): You are getting the other side now.

Mr. DUNNING: I am prepared to take a chance. If I insert the words "in straight lengths or bent" would that meet the situation?

Mr. WHITE (London): I think that would meet the need.

Mr. DUNNING: Would it not meet my hon. friend's point if the words "not further manufactured than in straight lengths" were cut out altogether? Then there would be no difficulty about it. There would be no restriction; it would then read "Pipes, tubes and flues of wrought iron or steel, with plain, swelled or thickened ends" and so on.

Mr. WHITE (London): I think that would meet the case.

Mr. LAPOINTE: I move that the words "not further manufactured than in straight lengths" be deleted.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—399a. Pipes and tubes, of wrought iron or steel, brass covered, not more than 3 inches in diameter, and brass trimmings, not polished, lacquered or otherwise manufactured, when imported by manufacturers of iron or brass bedsteads for use exclusively in the manufacture of iron or brass bedsteads, in their

own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—400. Fittings, of iron or steel, of every description for iron or steel pipes and tubes: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Cutoms tariff—401. Wire, of iron or steel:
(a) Barbed fencing, coated or not: British preferential tariff, free; intermediate tariff, free; general tariff, free.
(b) Twisted, braided or stranded, including wire, rope or cable, coated or not, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.
(c) Drawn flat or cold rolled flat after drawing, coated or not, n.o.p., not more than .25 inch in width and les than .1875 inch in thickness: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.
(d) Coated with zinc or spelter, curved or not, in coils, .144, .104, or .092 inch in diameter, with tolerance not to exceed .004 inch, and not for use in telegraph or telephone lines: British preferential tariff, free; intermediate tariff, free; general tariff, free.
(e) Coated with zinc or spelter, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.
(f) Single or several, covered with any material, including cable so covered; coated, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.
(g) N.o.p.: British preferential tariff, 15 per cent: intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—402. Woven or welded wire fencing, of iron or steel, from wire not more than .144 inch, and not less than .080 inch in diameter, with tolerance not to exceed .004 inch; wire fencing, of iron or steel, coated or not, n.o.p.: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—402a. Woven or welded wire fencing, of iron or steel, coated or not, n.o.p.; wire cloth or wire netting, of iron or steel, coated or not: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—403. Wire, or steel:
(a) Spring, not less than .40 per centum, by weight, of carbon, .128, .116, .104 and .092 inch in diameter, with tolerance not to exceed .003 inch, when imported by manufacturers of mattresses, cushions or upholstery for use exclusively in the manufacture of mattresses, cushions or upholstery, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. STEWART (Leeds): Mr. Chairman, I think the minister is well aware that representations have been made in reference to this item and in connection with another item relating to steel, item 415 (c), and I should like to ask him if careful consideration has been given to the representations contained in the brief which was submitted by an industry in which I am interested because it is located in the constituency which I represent. I should like to ask also whether, after consideration, he does not think some change ought to be made. The effect of the changes in the tariff has been to place a duty on raw material which formerly was free and to reduce the amount of duty formerly imposed on the finished article which comes in to compete with the Canadian product. As I say, this matter was submitted to the officers of the department, and I think all the information which could be given was furnished them.

It appears that it is impossible to obtain the steel in question in Canada in the quality and sizes desired, as it is not made here. The use of English steel, if it could be obtained in satisfactory condition, would increase the stock carried here, because of the distance from which it has to be procured. Some difficulty has been experienced in the past in obtaining from England steel of uniform quality and finish to meet the requirements of this business, and therefore it has been necessary to purchase the steel in the United States. It has been shown that this firm has not been taking any advantage of the small protection which it enjoys; in fact it is selling its goods at less than the selling price of the American goods. The industry is not large; but in the town of Gananoque, in which it is situated, it is of some importance and employs 35 or 40 hands. It will have difficulty in continuing if these changes go through; therefore I would ask the minister if he cannot concede something in view of the very strong representations which have been made to his officers and to the tariff board in connection with these items.

Mr. DUNNING: I have had my officers examine the representations of the corset industry with regard to the matter and I must say that I cannot see the difficutlies which they cite. The items affecting the corset industry number some 12 in the whole tariff, of which 10 are free; in fact 7 are free right across the board, and all that we are asking them to pay is 5 per cent under the general tariff on one item, 5 per cent on another and 7½ per cent on a third. The rate of duty on their

finished article is 30 per cent, and so far as the industry as a whole is concerned it has 10 free items entering into a commodity which, when manufactured, has a 30 per cent tariff protection.

In regard to the point that the steel cannot be procured in Great Britain, that is a very great surprise to me, because the facts indicate that the finished product certainly can be secured there, and if the finished product can be secured there is no doubt that the steel which enters into it can be secured also, and in that case it would be free. It still remains free under the British preference. I have given sympathetic consideration to this matter but I am sorry to have to tell my hon. friend that I can see no reason for changing the item.

Mr. STEWART (Leeds): What is the object in putting a duty on material which formerly came in free?

Mr. DUNNING: A matter of switching business to the United Kingdom.

Mr. STEWART (Leeds): What were the total imports last year of this material?

Mr. DUNNING: The total imports were $29,000 worth.

Mr. STEWART (Leeds): All from the United States?

Mr. DUNNING: Yes.

Mr. STEWART (Leeds): The hope is that the imposition of this duty will switch that business to the United Kingdom?

Mr. DUNNING: Yes.

Mr. STEWART (Leeds): These people have assured me that they have endeavoured to obtain this steel from England, but were unable to obtain it in a condition which would suit their special requirements. I should think that their experience would be better than the theory advanced by the minister that it can be procured. However, if the hon. minister is adamant, we will have to accept his decision and suffer the injury. We will have to take it as part of the game.

Item agreed to.

Customs tariff—403(b). Wire, of steel, flat or woven flat, in the coil, coated or not, .064 inch in thickness or thinner, with tolerance not to exceed .002 inch, when imported by manufacturers of corset clasps, steels, wires and dress stays for use exclusively in the manufacture of corset clasps, steels, wires and dress stays, in their own factories under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

The CHAIRMAN: Shall the item carry?

[Mr. Dunning.]

Mr. CANTLEY: Just a minute, hold your horses.

Some hon. MEMBERS: Order.

Mr. CANTLEY: Will the minister be good enough to explain the meaning of the word "single" in this item? It is a new term as applied to wire.

Mr. DUNNING: We have not reached that particular item. You told us too soon to hold our horses.

Mr. CANTLEY: It is impossible to tell what item we are on because the Chairman does not speak loudly enough for us to hear.

The CHAIRMAN: I think everyone hears.

Item agreed to.

Customs tariff—403(c). Wire, of steel, valued at not less than 2¾ cents per pound, when imported by manufacturers of wire rope for use exclusively in the manufacture of wire rope, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Item agreed to.

Customs tariff—403(d). Wire, of steel, single, not covered, in coils, for use exclusively in trolling in bona fide deep sea or inland commercial fishing operations: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. CANTLEY: What is the meaning of the word "single?"

Mr. DUNNING: It means a single wire.

Mr. CANTLEY: Why is it not used in regard to other wire? What is the specific meaning of the word as applied to this item?

Mr. DUNNING: It means one wire.

Mr. CANTLEY: Why is it not used for other wire except possibly barbed wire?

Item agreed to.

Customs tariff—404. Springs, of iron or steel:

(a) For the running and draft gear of railway vehicles, including locomotives and tenders: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(b) For the running gear of other vehicles: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent..

Item agreed to.

Customs tariff—405. Springs, of iron or steel, when imported by manufacturers of surgical trusses for use exclusively in the manufacture of surgical trusses, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—405a. Springs, of iron or steel, when imported by manufacturers of clocks for use exclusively in the manufacture of clocks, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—406. Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel:

(a) One and one-eighth inches in diameter and over: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

(b) Less than one and one-eighth inches in diameter: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—407. Silent chain and finished roller chain, of iron or steel, of a class or kind not made in Canada, n.o.p., either chain of the type which operates over gears or sprockets with machine cut teeth: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—407a. Chains of iron or steel, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—408. Malleable sprocket chain and link belting chain, of iron or steel, when imported by manufacturers of agricultural implements for use exclusively in the manufacture of agricultural implements, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: I have an amendment to offer to this item as follows:

That the words "including roller chain of all kinds for operating on steel sprockets or gears" be inserted after the word "steel."

There is a new item, number 407, which covers roller chain, and this amendment is to make it clear that roller chain for use in the manufacture of agricultural implements will come in under 408 and not under 407.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—409. Cream separators and steel bowls therefor: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—409a. Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; pasteurizers for dairying purposes; complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—409b. Cultivators, harrows, seed-drills, horse-rakes, horse-shoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

Item agreed to.

Customs tariff—409c. Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—409d. Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 6 per cent; general tariff, 6 per cent.

Item agreed to.

Customs tariff—409e. Spraying and dusting machines and attachments therefor, including hand sprayers, for farm purposes only; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. WHITE (London): I suppose the idea in putting these items on the free list is to induce importations from Great Britain?

Mr. DUNNING: I am advised that in some cases considerable business may develop, while in others there may not be quite so much.

Mr. WHITE (London): Many of these items are on the free list already, but I find for the year ending March 31, 1929, we exported farm implements to the United Kingdom to the value of $448,000 and imported to the value of $141,000.

Mr. DUNNING: The intent was to put all these items on the free list as far as the British preference was concerned.

Mr. WHITE (London): I notice that the hon. minister in his desire to induce business from Great Britain has not increased the duty against importations from the United States.

Mr. DUNNING: Not in this case.

Mr. CHAPLIN: Not in any case.

Mr. KENNEDY: How does the hon. minister expect to develop trade in agricultural implements from Great Britain to Canada?

Mr. DUNNING: In some of the items now being made free for the first time it is expected that business will develop.

Item agreed to.

Customs tariff—409f. Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or machinery, n.o.p., and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. DUNNING: I would move that the word "agricultural" be inserted before the word "machinery" in the sixth line.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—409g. Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—409h. Hay presses and complete parts thereof: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. CHAPLIN: I suppose when we have allowed hay to come in free, we should allow the hay presses to come in free as well.

Item agreed to.

Customs tariff—409i. Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.: British preferential tariff free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—409j. Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—409k. Windmills and complete parts thereof, not including shafting: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 17½ per cent.

Item agreed to.

Customs tariff—409l. Traction ditching machines (not being ploughs) for use in ditching for tile drains on farms, valued by retail at place of production, when new, at not more than $3,500 each, and complete parts thereof: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. FANSHER (Lambton): I would like to know if any representations have been made to increase the limitation as to valuation of these machines. They are admitted free up to a valuation of $3,500, and the valuation permits the admission of the smaller makes for tile draining purposes.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

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## Friday, May 23, 1930

The house met at three o'clock.

### REPORTS OF COMMITTEES

#### PRIVATE BILLS

Mr. J. A. GLEN (Marquette) presented the ninth report of the select standing committee on miscellaneous bills.

Mr. GLEN moved that the report be concurred in.

Motion agreed to.

#### BANKING AND COMMERCE

Mr. G. W. McPHEE (Yorkton) presented the eighth and ninth reports of the select standing committee on banking and commerce.

#### STANDING ORDERS

Mr. M. J. MALONEY (South Renfrew) for (Mr. Morin) presented the third report of the select standing committee on standing orders.

Mr. MALONEY moved that the report be concurred in.

Motion agreed to.

### PRIVATE BILLS

#### FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 301, for the relief of Isadore Sabbath.—Mr. Glenn.

Bill No. 302, for the relief of Gladys May Carter.—Mr. Lawson.

Bill No. 303, for the relief of Dorothy Stanfield.—Mr. Sanderson.

Bill No. 304, for the relief of George Washington Latta.—Mr. Lawson.

Bill No. 305, for the relief of William Henry Wardell.—Mr. Church.

Bill No. 306, to incorporate Industrial Loan and Finance Corporation.—Mr. Casgrain.

Bill No. 307, to incorporate The British Columbia Alberta Western Railway Company.—Mr. Goulet.

Bill No. 308, to incorporate The Hudson Bay Western Railway Company.—Mr. Goulet.

## INDUSTRIAL AND INTERNATIONAL RELATIONS

### CONCURRENCE IN COMMITTEE'S REPORT ON MOTION FOR PROMOTION OF INTERNATIONAL PEACE

Mr. CAMERON R. McINTOSH (North Battleford) moved:

That the recommendations contained in the second report of the select standing committee on industrial and international relations, presented to the house on May 19, 1930, be concurred in.

Mr. STEVENS: Could we have an explanation so that we may know what we are dealing with?

Mr. McINTOSH: The report is concerned with the motion, the proposed resolution, of the hon. member for Southeast Grey (Miss Macphail) as to the desirability of spending one dollar in the promotion of international peace for every one hundred dollars spent in the promotion of war. The committee subjected that resolution to a full analysis, took evidence from Doctor Skelton, Under-Secretary of State for External Affairs; Professor Mackenzie, of Toronto university; Dean Corbett, of McGill university; Mr. Graham Spry, secretary of the Associated Canadian Clubs; and a submission by Doctor Tory, and came to the conclusions set out in the report, first, that the evidence not being as full and complete as might be wished the resolution should be considered at another session of parliament. Secondly, with regard to the contents of the resolution, the feeling of the committee was that the Department of External Affairs, manned at the present time by the Prime Minister of Canada and Doctor Skelton, was doing splendid work in the promotion of peace at home and abroad, and that the machinery and facilities of that department in the way of international peace should be extended and increased. By so doing it was further felt that parliament might see its way clear to increase its grant to the League of Nations Society in Canada. The grant now I believe is $3,000 per annum. The committee felt that that grant should be increased if the League of Nations Society was to do its best work throughout the Dominion in the promotion of international peace in the schools of this country, primary and secondary, and also in the universities of the Dominion.



Another idea mooted before the committee was that it might be well for parliament to consider the advisability of the establishment of an international library linked up with the Department of External Affairs. If that were done the committee thought that in due time it might be possible to organize a summer school on international relations for Canada with Ottawa as the headquarters.

I believe, Mr. Speaker, those are the main points dealt with in the report, and I now leave it for the house to endorse.

Motion agreed to.

## STANDING ORDERS COMMITTEE

Mr. L. S. RENE MORIN (St. Hyacinthe-Rouville) moved:

That the select standing committee on standing orders be permitted to sit while the house is in session.

Motion agreed to.

## NEW ZEALAND TREATY

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, might I inquire of the Prime Minister when the correspondence in connection with the proposed New Zealand treaty will be brought down? My hon. friend the Minister of Justice (Mr. Lapointe) was to speak to the right hon. gentleman about it, but I fancy that in the multiplicity of his duties this might have been overlooked.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The correspondence is in the nature of negotiations between two governments and is confidential. Up to the present time the negotiations are incomplete, and beyond the statement as to what is set forth in our correspondence, I do not think there is anything we would be justified in bringing down. As a matter of fact I happen to recall that a communication from the New Zealand government mentions the desirability of not making the correspondence fully public at the present time.

Mr. BENNETT: The right hon. gentleman will recall that in the Senate the leader of the government saw fit to put upon Hansard letters that had passed between the American representatives and our representatives in connection with the treaty regarding smuggling, even though one of the letters was dated only two days before. This house is still without that correspondence. I thought we should at

least have before us in connection with the New Zealand treaty the notice that was referred to in the speech of the hon. Minister of Finance (Mr. Dunning) as to the rescission of the order in council being made operative as of October 12.

Mr. DUNNING: Notice was given to that effect.

Mr. BENNETT: I quite appreciate the right hon. gentleman's statement as to the confidential nature of correspondence of that delicate character. But on the other hand the notice referred to by the Minister of Finance should be laid on the table.

Mr. MACKENZIE KING: The fact of the notice having been given is public now. That notice is contained in the correspondence, a part of which I am afraid is confidential. I doubt if it is possible at this time to supplement the actual statement that such notice has been given.

## CIVIL SERVICE

### SUPPLEMENTARY REFERENCE OF SALARY QUESTION TO BEATTY COMMISSION

On the orders of the day:

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, I wish to ask the Prime Minister a question with respect to order in council P.C. 1053, which extends the scope of inquiry of the Beatty commission. Under the order in council will opportunity be given to the civil service organizations, particularly the professional institute of civil servants, to make representations before the Beatty commission in order to correct anomalies as to classification and salaries and the alleged omissions in the present Beatty report? That is will the functions of the existing committee still continue? If the Prime Minister will look at the order in council he will find the following:

> The committee, therefore, on the recommendation of the Secretary of State, advise that a supplementary commission be issued to the said commissioners extending the scope of the inquiry to include such investigation, and also the advisability of fixing a minimum salary for employees in the civil service.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think it is most desirable that the commission should hear representations from any of the organizations with respect to any anomalies or any other features which they think should be inquired into by the commission.

[Mr. Bennett.]

## POSTAL TERMINAL "A" TORONTO

On the orders of the day:

Mr. T. L. CHURCH (Toronto Northwest): May I bring to the notice of the Postmaster General (Mr. Veniot) the fact that postal terminal "A", which is the largest postal station in Toronto closes its doors at 7 o'clock every day, except Saturday, when the closing time is at noon. Surely this is not right. I wish to bring to the attention of the Postmaster General also the question of keeping all post offices, especially the larger ones, open till midnight during the Shriners' convention. Postal terminal "A" should be kept open till 10 o'clock. It is beside the mail trains and people coming down with mail find the place closed and cannot get stamps.

The post office is a public utility and the public interest should be paramount. Toronto returns a great profit. Why not give an up-to-date service? The postal revenues of Toronto are about $6,000,000, which shows the need of a large central post office near the depot with proper accommodation for the public using this most important utility.

Hon. P. J. VENIOT (Postmaster General): Mr. Speaker, the hon. member was kind enough to send me the notice of this question, and during the noon hour I made certain inquiries at the department. Before I read the statement which they prepared for me, may I say that when any large conventions are being organized it would be only right that the department should facilitate as much as possible the work of those conventions in the matter of communication by mail, and on such occasions special arrangements will be made to meet their convenience. Let me read the memorandum prepared by the department:

> The department has for some time been giving consideration to the arrangements for postal facilities during the Shriners' convention in June. Special offices are being opened in the government building at the exhibition grounds and in proximity to the two points where accommodation is being provided by the railway companies.
>
> Adequate facilities for conducting postal business will also be in operation in the Royal York hotel, where the headquarters of the convention will be located. This office, which is immediately across Front street from terminal "A," will be open at all hours of the day.
>
> The situation is being closely watched and is being given special study by a competent postal official of the Toronto office. In the event of there being any indication that the arrangements already made will prove inadequate, the department is prepared to take whatever additional steps are necessary to ensure a first-class service.

As regards the hour of closing of postal terminal "A," it may be stated that experience has shown that there is no demand for service at that point after 7 o'clock in the evening. The Adelaide street office, which is more conveniently situated, is open until 10 o'clock every night.

It should be pointed out, however, that while the lobby of terminal "A" is closed at 7 o'clock, the public can obtain access for the purpose of posting mail matter and purchasing stamps by entering the office on the lower level immediately under the main entrance to the lobby.

As regards the hours of closing of the other postal stations in Toronto, these have been fixed as the result of experience obtained by the officials at Toronto and it is not considered that there is sufficient public demand for later closing to justify the department in going to the extra expense which would be involved if employees had to be retained on duty to serve the wickets.

I may add that the whole situation is now being reviewed again, and if thought necessary the hours will be changed.

## FILIPINO IMMIGRATION

On the orders of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, may I ask the acting Minister of Immigration (Mr. Stewart) if he has had any advices as to the influx of Filipinos into British Columbia. According to my information, these Filipinos first invaded the states of California and Oregon. They gave a good deal of trouble in the Sacramento valley. Then quite a number of them moved up to the state of Washington, and as a result there have been some race riots. I believe two hundred or so were driven off the farms between Seattle and Tacoma. Now they are drifting into the province of British Columbia and are entering the labour market. If we do not wish to have another race problem in British Columbia something should be done right away to meet the situation.

Hon. CHARLES STEWART (Minister of the Interior): The matter has not been brought to my attention, but I shall make inquiries.

## FONTAINE AND LACASSE

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would like to call the attention of the Minister of Justice (Mr. Lapointe) to the case of two boys, Fontaine and Lacasse, who were arrested for a milk robbery on November 2, 1929, sentenced in December, the former to four years and the latter to two years. On April 1, two other boys confessed to the crime, and as a result they were convicted, sentenced and are now serving terms. I am informed that a week ago all the evidence was in the hands of the Department of Justice. It seems to me that the case of these two boys represents a gross miscarriage of justice, and I ask the minister when these boys will be released; and is there any possibility of reparation being made?

Hon. ERNEST LAPOINTE (Minister of Justice): I am glad my hon. friend has mentioned this question. The officials in my office informed me this morning that this matter had two days ago been brought to the attention of the Department of Justice by the crown prosecutor of the county of Carleton. I immediately communicated with the Solicitor General who has under his control the Ticket of Leave Act, and he has signed a recommendation to the governor in council. I understand it has been passed, in order that they may be released immediately. Meanwhile counsel acting for these two boys is asking the Department of Justice to order a new trial, and I am considering whether this is the best course to take under the circumstances, or whether a pardon should be issued in order to avoid the necessity of a new trial.

## RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. T. CANTLEY (Pictou): A few days ago the hon. member for Bow River (Mr. Garland) directed a question to the hon. the Minister of the Interior (Mr. Stewart) in regard to the movement of Soviet coal from Montreal to central and western Ontario. Is the minister prepared to give an answer to that question?

Hon. CHARLES STEWART (Minister of the Interior): There has been some coal carried from Montreal as far west as Cobalt. It has not been coming in under the subvention granted to the movement of Nova Scotia coal, but I am informed that only a small amount has reached Cobalt. It is not expected that the importation of Soviet or Russian coal will exceed 250,000 tons. Perhaps the total will be about 150,000 tons.

Mr. CANTLEY: That is a considerable quantity.

Mr. STEWART (Edmonton): May I say to my hon. friend that as far as we can ascertain at the moment the importation of this coal has not displaced any of the British coal. There is more British coal coming in than came in formerly; it has however displaced to some extent American anthracite.

Mr. SPEAKER: Orders of the day.

Mr. CANTLEY: May I ask the Minister if the government intends to take effective action in connection with the importation of Russian coal? It is a serious matter; large quantities of this coal are being offered to-day in Montreal at about $6 per ton, and it is idle to say that it does not come into competition with Canadian coal. There can be no doubt that it does.

Mr. STEWART (Edmonton): I think my hon. friend must be under some misapprehension as to the price. I am informed that the price of the Russian coal is almost identical with the price of American and British coal.

Mr. CANTLEY: May I say further—

Mr. SPEAKER: Orders of the day.

Mr. CANTLEY: I wish to say—

Mr. SPEAKER: I am very sorry; I am calling orders of the day. The hon. gentleman is out of order.

Mr. CANTLEY: I submit this is a matter of very considerable importance, and I would like to say to the hon. gentleman—

Mr. SPEAKER: We cannot interrupt the business of the house; hon. members are not allowed to put a series of questions.

Mr. CANTLEY: I will have to ask the decision of the house as to whether I may discuss this question.

Mr. SPEAKER: Orders of the day.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Mr. FANSHER (Lambton): It will be noticed by hon. members that this item 409l:

> Traction ditching machines (not being ploughs) for use in ditching for tile drains on farms, valued by retail at place of production, when new, at not more than $3,500 each, and complete parts thereof: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. FANSHER (Lambton): It will be noticed by hon. members tat this item is free; in fact, it has been free for a number of years. There is however a limitation imposed regarding the valuation of the machine, which is set at $3,500. As hon. members know this particular machine is used for digging trenches for farm drainage purposes in which tile drains are laid. Prior to the war these machines were imported free. They are not manufactured in Canada; they were not at that time manufactured here and have not been since. The limitation imposed at that time admitted the two smaller sized machines. During the war the price of all commodities rose, as did the price of these machines. The result was that the larger of the two machines admitted was excluded because of this price limitation. The result is that in late years only the smallest machine has been admitted, and those who desired the second largest machine had to purchase a used machine or one which had been rebuilt in the United States and could be imported as a second-hand article. I am asking that the limitation imposed here may be raised from $3,500 to $5,000, which would admit the second size of machine, the same machine that was admitted when this item was first placed on the free list. I remember having this matter before the late Minister of Finance last year; I took it up with his chief tariff advisers, and it was also before the Minister of National Revenue and the commissioner of customs. There has been some difficulty in getting into the country duty free the repairs for the larger size machine; I had this matter up last year with the department in that regard. I believe the only way to remedy this discrepancy and to admit again the machine that at one time was admitted free, would be to raise the limitation from $3,500 to $5,000, and I should like to impress this upon the Minister of Finance.

Mr. McMILLAN: Mr. Chairman, I think the matter which has been referred to by the hon. member is quite necessary, and something like that ought to be done to get these machines into the country free of duty, as they were admitted for some time up to a certain valuation.

Mr. CHAPLIN: This is purely a matter of revenue; as I understand it, the goods are not made in this country. Moreover, I understand that a case has arisen where one of the machines which came in free required some repairs, and owing to the advance in price the repairs for that machine could not be brought in duty free, although the machine came in free. Now they have to pay duty on the repairs, because to-day the machine is worth more than it was before. This is a case, Mr. Chairman, where we prohibit an article from being made in this country by putting it on the free list, and when the price goes up there is no redress whatever. Put the duty on, and possibly in time you would have them just as cheap here. Here is a case where free trade did not work out exactly as you wanted it to.

Mr. DUNNING: Perhaps my hon. friend from East Lambton would give his view on that point.

Mr. FANSHER (Lambton): I think it was a Conservative administration which let these machines in free of duty. I well remember that the late Mr. McCoig had a good deal to do with placing these two smaller machines on the free list, where they remained for a good many years. They are used largely, I believe, in flat lands, the heavy clay lands of Ontario, for tile drainage purposes. I would suggest to the minister that we surely might expect him to be as low tariff as the Conservative party was at that time.

Mr. DUNNING: Apparently there would be no difficulty in administration and only a small amount of revenue would be involved, as far as I can learn. The articles came in before under the item of machinery, n.o.p., to an untraceable extent. I am prepared to accede to the request of my hon. friend from East Lambton and to raise the limit to $5,000.

Mr. EULER: I move that the figures $3,500 be struck out and the figures $5,000 substituted therefor.

Mr. FANSHER (Lambton): I think that will be a great help to those interested in tile drainage, and I believe I am correct when I say that since the duty has been imposed on this second size of machine it has prohibited the importation altogether.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—409m. Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. WHITE (London): I should like to make a few observations on this item and to direct the attention of the house to the situation now existing, although I do not suppose it will make any particular difference. There are features about this matter that should be spoken of, I think. This item has been enlarged, if I understand it correctly, by the addition of the words "traction attachments designed and imported to be combined with automobiles."

Mr. DUNNING: No, that was always in the item.

Mr. WHITE (London): Then I am in error in that particular, but I should like to say something about farm tractors. These machines were put on the free list in 1917, during the war. As the hon. gentleman to my left said with regard to the previous item, this was done by the Conservative government, and in my city two firms were starting to manufacture these machines when that duty was removed, and immediately the manufacturing ceased. To-day there are no machines of this kind made in Canada; they are all made in the United States.

It might be of interest to know just what this has amounted to in the past. I have not been able to segregate these items for 1917 or 1918, but in the last twelve years we have imported practically all these machines from the United States to the extent of over $100,000,000 including machines and parts. That is what has happened since these machines were put on the free list, and that is the usual result when that is done. In that connection I should like to refer to a statement made by Mr. Kerwin, of the Massey Harris Company, before the tariff board. It seems that Mr. Deachman of the Consumers' League had been referring to agricultural implements, and had made the request that they practically all be put on the free list under the British preference and that the duty be reduced to 6 per cent under the other two schedules. Mr. Kerwin replied as follows:

Mr. Deachman has suggested a very radical change, which is quite unexpected as far as the Massey-Harris Company is concerned, a reduction of the 10 per cent items to 6. We just got over suffering from a reduction in May last which was quite a substantial blow, and we did not come prepared to go into this question of reduction of duties. But I would like to draw your attention to one or two facts. In 1924 a substantial reduction of duties was made. What has been the result since? Mr. Deachman says that we are doing very well, but it must not be overlooked that business was good, and a good deal of our prosperity has been out of the country, not within the country. Let me refer to the imports after 1924, eliminating 1925, which was a very flat year. In 1926 they were $13,336,650; in 1927, $18,946,288; in 1928, $29,636,449; in 1929, the last fiscal year, $40,292,889. Now, these are all wholesale prices; if you deal with the figures in terms of retail prices they would run between fifty and sixty millions of dollars. We are losing that much business by the reduction in duties, there is no question about that; if you reduce them further, more goods will come in. We protest against the suggested reduction from 10 to 6 per cent.

Then follows a remark by Mr. Deachman:

Is not the importation largely tractors for farm purposes?

Mr. Kerwin: To a certain extent, but nearly half of it is implements of other kinds.

Mr. Deachman: Are you manufacturing farm tractors?

Mr. Kerwin. No, sir, we were prevented from doing that because they were made free in 1917. If you reduce the duties as suggested in this case, the same result will follow.

The same thing has taken place in other lines. The item covering farm wagons occurs a little later in the tariff, but I may as well refer to it now. The government reports show that in 1928 we manufactured to the extent of $243,000; we imported to the value of $660,000 and exported to the value of $38,000. From these figures it would appear that the apparent needs of Canada were $864,000, which figured out means that we made only 25 per cent of our requirements and imported 75 per cent. The same thing is occurring in the case of binders. It has been said that because tractors are coming in in large numbers they are responsible for this change, but the figures show that in 1929 imports of tractors increased only 27 per cent over 1928, while the imports of harvesters and binders increased 45 per cent. I can remember that there were only a few years ago seven wagon factories in western Ontario, but since that time four have gone out of business and the remaining three are running on reduced schedules. It seems to me that this is a question to which the government should have addressed itself when preparing the schedule. Surely the business enterprise of Canada can handle this matter; surely Canadian brains are equal to those south of the line. If the government were to take hold of this situation we would hear less about unemployment and there would be no need for the issuance of proclamations as to what will or what will not be done so far as unemployment is concerned.

Item agreed to.

Customs tariff—409n. Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—409o. Equipment for generating electric power for farm purposes only, viz.: engine, gas tank, generator, storage battery, and switchboard; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

[Mr. J. F. White.]

Customs tariff—410. Carloading machines and complete parts thereof for use exclusively for loading coal into box cars: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. EVANS: I have no objection to putting elevators for loading coal on the free list, but I would like to see elevators for loading grain in the same position. It is just as hard to shovel grain as it is to shovel coal. In the newer parts of the country there are hundreds of sidings with no elevator equipment, and I think the government should consider putting grain elevators on this free list.

Item agreed to.

Customs tariff—410a. Face loading machines, shaker trough or belt trough conveyors, air engines, flame-proof enclosed driving motors, of a class or kind not made in Canada, and integral parts of all motive power or machinery mentioned in this item, for use exclusively at the face in mining operations: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—410b. Machinery and apparatus for use exclusively in washing or dry cleaning coal at coal mines or coke plants; machinery and apparatus for use exclusively in producing coke and gas; machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas; and complete parts of all the foregoing, not to include motive power, tanks for gas, nor pipes and valves, 10½ inches or less in diameter: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—410c. Machinery and apparatus and complete parts thereof for use exclusively in producing unrefined oil from shales, not to include motive power, of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410d. Well-drilling machinery and apparatus, and complete parts thereof, of a class or kind not made in Canada, seamless iron or steel tubing over four inches in diameter for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, not to include motive power: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410e. Well-drilling machinery and apparatus and complete parts thereof, and rope twenty-one hundred feet and over in length, capable of drilling wells of two thousand feet and over in depth, of four inches and over in diameter, and of raising and lowering

casing over four inches in diameter for such wells, for use exclusively in drilling for water, natural gas and oil, and in prospecting for minerals, not to include motive power: British preferential tariff, 5 per cent; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Mr. SPENCER: What was the necessity of including this item in the schedule; there is no change.

Mr. DUNNING: Just to include complete parts thereof.

Item agreed to.

Customs tariff—410f. Machinery and appliances of iron or steel, of a class or kind not made in Canada, and elevators, and machinery of floating dredges, for use exclusively in alluvial gold mining: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410g. Articles for use exclusively in the metallurgy or smelting of iron, viz: machinery and apparatus for sintering or nodulizing iron ore, concentrated or not, or flue dust; machinery and apparatus for use exclusively in the construction, equipment and repairs of blast furnaces for smelting iron ore, such machinery and apparatus to include hot blast stoves and burners, blast piping and valves connecting the blowing engines with the furnace, scale cars, charging and hoisting apparatus, blast furnace gas piping, cleaners and washers, and integral parts of all the foregoing, but not to include wrought iron pipe or valves 10½ inches and under in diameter, nor structural iron work: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 5 per cent.

Item agreed to.

Customs tariff—410h. Equipment and integral parts thereof for distributing stone dust in mines: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—410i. Miners' rescue appliances, designed for emergency use in mines, where artificial breathing is necessary in the presence of poisonous gases, including high pressure oxygen pumps for use exclusively in connection with such appliances, and automatic resuscitation apparatus for artificial breathing to aid in the saving of human life, and integral parts of all the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410j. Miners' acetylene lamps and complete parts thereof; miners' safety lamps and complete parts thereof; accessories for cleaning, filling, charging, opening and testing miners' lamps; battery renewal preparations for miners' electric safety lamps; all for use exclusively in mines: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410k. Machinery and apparatus, of a class or kind not made in Canada, for use exclusively in handling ore and other materials to be charged into the blast furnace, from the dock, car or stock pile, at the smelting works: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—401l. Ore crushers, rock crushers, stamp mills, grinding mills, rock drills, percussion coal cutters, coal augers, rotary coal drills, n.o.p., and complete parts of all the foregoing for use exclusively in mining, metallurgical or quarrying operations: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—410m. Diamond drills and core drills, not including motive power, and electrically operated rotary coal drills, of a class or kind not made in Canada, and integral parts of the foregoing, for use exclusively in mining operations: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410n. Diamond drills and core drills, not including motive power, and electrically operated rotary coal drills, n.o.p., and integral parts of the foregoing, for use exclusively in mining operations: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—410o. Coal cutting machines, n.o.p., coal heading machines; electric or magnetic machines for concentrating or separating iron ores; automatic scales for use with conveyors; and integral parts of all the foregoing, for use exclusively in mining or metallurgical operations: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410p. Sundry articles of metal as follows, for use exclusively in mining and metallurgical operations, viz.: furnaces for the smelting of ores; converting apparatus for metallurgical processes in metals; machinery for the extraction of precious metals by the chlorination or cyanide processes, not to include pumps, vacuum pumps or compressors; blast furnace blowing engines for the production of pig iron; and integral parts of all the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410q. Pumps and vacuum pumps and complete parts thereof, for use exclusively in the extraction of precious metals by the chlorination or cyanide processes: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—410r. Power driven reciprocating pumps and complete parts thereof, designed for normal working heads of 400 feet and over, for use exclusively underground in mines: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—410s. Amalgam safes; automatic ore samplers; automatic feeders; retorts; mercury pumps; pyrometers; bullion furnaces; amalgam cleaners; and integral parts of all the foregoing, for use exclusively in mining or metallurgical operations: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410t. Blowers, of iron or steel, of a class or kind not made in Canada, for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metal, of a class or kind not made in Canada, designed for roasting ore, mineral, rock or clay; furnace slag trucks and slag pots, of a class or kind not made in Canada; and integral parts of all the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410u. Blowers, of iron or steel, n.o.p., for use in the smelting of ores, or in reduction, separation or refining of metals, ores or minerals; rotary kilns, revolving roasters and furnaces of metals, n.o.p., for use in the roasting of ore, mineral, rock or clay; furnace slag trucks and slag pots, n.o.p.; and integral parts of all the foregoing: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—410v. Buddles, vanners, slime or concentrating tables and integral parts thereof, for use in mining and metallurgical operations: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410w. Machinery, n.o.p., for the concentration or separation of ores, metals or minerals, viz.: flotation machines, flotation cells, oil feeders and reagent feeders for flotation machines and flotation cells, pumps, vibrating and impact screens, jigs, magnetic separators, magnetic pulleys and filters, for use in the concentration or separation of ores, metals or minerals, and integral parts of all the foregoing: British preferential tariff, 15 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—410x. Machinery, furnaces and appliances, of a class or kind not made in Canada, and integral parts thereof, for use in the refining of metals, and for the production of anodes, cathodes, blocks, slabs, pigs or ingots, in such refining processes: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—410y. Heavy duty mine hoists, of a size and capacity not made in Canada: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—410z. Machinery and apparatus, n.o.p., and complete parts thereof, for the recovery of solid or liquid particles from flue or other waste gases at metallurgical or industrial plants, not to include motive power, tanks for gas, nor pipes and valves 12½ inches or less in diameter: British preferential tariff, 7½ per cent; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Item agreed to.

Customs tariff—411. Machinery for use in sawing lumber, up to but not including the operation of planing, and complete parts thereof, not to include motive power, when for use exclusively in saw mills (for the purpose of this item motive power is defined as equipment for driving the machinery of the saw mill): British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—411a. Machinery, logging cars, cranes, blocks and tackle, wire rope, but not including wire rope to be used for guy ropes or in braking logs going down grade, and complete parts of all the foregoing, for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump, or common or other carrier: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—411b. Cylinder stave saws, wheel type stave jointers, crozing and champhering machinery, when for use exclusively in making staves: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—412. Machinery, being newspaper printing presses, of not less value by retail than $1,500 each, of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—412a. Machinery and apparatus, n.o.p., viz: printing presses and type-making accessories therefor; electrotyping and stereotyping machines; gun and mould apparatus for making press rollers; lithographic

presses; offset presses; book-binding machines; embossing machines; engraving machines; photo-engraving apparatus; machines and apparatus for transferring by photographic processes to plates or rolls for use in lithography, roto-gravure and printing; machines for graining metal plates; machines for sensitizing metal plates; machines for addressing and wrapping newspapers, magazines, periodicals, pamphlets, and catalogues; machines for bronzing, creasing, scoring, cutting, perforating, punching, gathering, gumming, pasting, joggins, numbering, patching, slitting, re-winding, ruling, sheet-piling, stitching, stripping or varnishing; all the above, including repair parts but not including saws, knives and motive power, when for use exclusively by printers, bookbinders, paper manufacturers, paper converters and by manufacturers of articles made from paper or cardboard: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. DUNNING: This item covers a long list of printing machinery, and I would like to delete the words "paper manufacturers" which appear towards the end of the item. The reason for suggesting this amendment is to make the item apply to the printing trade only.

Amendment agreed to.

Mr. BRADY: May I be permitted to bring to the attention of the Minister of Finance a telegram which I received this morning. I do not know whether or not I am in order, but as the minister has mentioned paper manufacturers I think I may be permitted to direct his attention to a very important omission from the countervailing items. The telegram reads as follows:

Please use your utmost efforts have kraft and wrapping papers placed on countervailing list in budget. This automatically raises duty five per cent on paper imported from United States. Paper now being shipped to British Columbia from United States at ruinous prices and we strongly urge application countervailing principle as protection from unscrupulous competition badly needed.

Pacific Mills Limited
D. G. Stenstrom, resident manager.

This kraft and wrapping paper is really a completed article in that very large plant which employs about 2,500 men and the request here made is in accord with one desire to encourage the complete fabrication in Canada of our raw materials. The purpose of this message is to prevent the extensive importation of the very commodity which the Pacific mills is able to produce. This branch of the pulp industry has greatly aided employment and extends the scope of the policy of developing industries in Canada, a policy which I believe the Minister of Finance is just as anxious as we are to see extended in Canada, namely, that the greatest part of our raw materials should be brought to the finished state in this country. I trust the minister will take the time to examine into this very important request from the manager of the Pacific Mills Limited, Ocean Falls.

Mr. DUNNING: Curiously enough I have received some representations on both sides of that question. On going into the matter I find that the whole question of paper should really be made the subject of an inquiry before the tariff board. The items more or less run into each other and different interests have very varied views. I have accordingly come to the conclusion that to propose anything at the present time would be jumping very much in the dark. A hearing on everything to do with paper is, I believe, a necessity because of the importance of the industry and also its diversity which is much greater than I had dreamed of before I looked into it, as I did owing to the representations I had received similar to those advanced by my hon. friend.

Item agreed to.

Customs tariff—412b. Flat-fed cylinder printing presses, to print sheets of a size 25 x 38 inches or larger, and complete parts thereof; machines designed to fold or sheet-feed paper or cardboard, and complete parts thereof: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—412c. Typecasting and typesetting machines and parts thereof for use in printing offices: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—413. Machinery and apparatus, of a class or kind not made in Canada, and parts thereof, specially constructed for preparing, manufacturing, testing or finishing yarns, cordage, and fabrics made from textile fibres or from paper, imported for use exclusively by manufacturers and scholastic or charitable institutions in such processes only: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. RYCKMAN: Is this just a reclassification?

Mr. DUNNING: There is no change except in the wording. The words "for use exclusively by manufacturers" are added, and the words "or from paper" are added in order to include all groups of materials of the same kind.

Item agreed to.

Customs tariff—413a. Machinery, of a class or kind not manufactured in Canada, for use in the manufacture of nets or netting for the fisheries, when imported by manufacturers for use exclusively in the making of such nets or netting, in their own factories, but not for use in making nets or netting commonly used for sportsmen's purposes: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Mr. CHAPLIN: What change is there in this item? The duty remains the same.

Mr. DUNNING: It is the same except for the words "exclusively in the making of such nets or netting."

Item agreed to.

Customs tariff—414. Typewriters and complete parts thereof: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—414a. Dictating, transcribing and cylinder-shaving machines and complete parts thereof, including cylinders and unfinished wax blanks: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—414b. Automatic teletype-writers and complete parts thereof: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—414c. Adding, book-keeping, calculating and invoicing machines and complete parts thereof, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. CAMPBELL: Did we receive anything under this item or did we export anything last year?

Mr. DUNNING: Under item 414b, teletype-writers are coming from Great Britain. Under 414c, adding and calculating machines are nearly all coming from the United States.

Mr. CAMPBELL: Did we not ship some of these machines to Great Britain last year?

Mr. DUNNING: We shipped a small quantity to Great Britain.

Mr. CHAPLIN: Why did the minister reduce the duty from the United States?

Mr. DUNNING: There is no reduction.

Item agreed to.

Customs tariff—415. Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing, including suction hose, n.o.p.: British preferential tariff, 12½ per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. CHAPLIN: Why was the duty reduced from the United States?

Mr. DUNNING: People use these machines a good deal and this is a little consideration to help the consumer.

Mr. CHAPLIN: Was it to help the British preference?

Mr. DUNNING: It is a little consideration to the consumer.

Item agreed to.

Customs tariff—415a. Refrigerators, domestic or store, of all kinds, completely equipped or not: British preferential tariff, 12½ per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. RYERSON: I would like to discuss items 415a and 415b together as they both deal with manufactured articles which are now being made in Brantford factories employing Brantford workingmen, and both show decreases in the tariff, not only in the British preferential but also in the intermediate and the general tariffs. I will read the items, giving the rates of duty under the proposed measure and also under the existing schedule:

| Schedule | British Preferential Tariff | Intermediate Tariff | General Tariff |
|---|---|---|---|
| 415a. Refrigerators, domestic or store, of all kinds, completely equipped or not. | | | |
| Proposed rate | 12½% | 20% | 25% |
| Present rate, item 519 | 20% | 27½% | 30% |
| 415b. Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines. | | | |
| Proposed rate | Free | 15% | 25% |
| Present rate, item 453 | 15% | 25% | 27½% |

It will be noted that there is a reduction in all these items in the different columns. In my opinion the reduction under the British preferential tariff will have little effect upon these industries at the present time, because, as I shall presently show, there are practically

no imports from Great Britain, but the reductions under the general tariff will undoubtedly assist United States manufacturers and result in increased imports from the United States to the detriment of our own factories.

In order that the committee may understand the importance of this trade, I submit the imports for the fiscal year, 1930, which figures I have just received from the Department of Customs:

Statement showing the imports by countries of washing machines and refrigerators: entered for consumption in Canada during the fiscal year ended March 31, 1930.

| Item | Country | No. | Value |
|---|---|---|---|
| Washing machines—domestic. | Great Britain | 7 | $ 8,628 |
| | United States | 22,995 | 1,565,479 |
| | | 23,002 | $1,574,107 |
| Refrigerators. | Great Britain | 2 | 36 |
| | United States | 18,892 | 1,913,555 |
| | Totals. . . | 18,894 | $1,913,591 |

I fail to understand the policy of the finance minister, or his object in dealing, as he proposes to do, with these items and others of a similar kind, which relate to manufactured articles now being made in Canada. He has repeatedly stated in the budget speech and in the discussions that have taken place on the floor of this house, that the intent of many of these tariff changes was for the purpose of encouraging empire trade and to give the British manufacturer an opportunity to replace, in so far as possible, the heavy imports now coming from the United States. If that is so, why does he propose to reduce the tariff in the general list as well as in the British preferential? What benefit will accrue to the British manufacturer that he does not now enjoy? In what better position will he be to replace United States manufactured washing machines and refrigerators? In these changes which relate to manufactured goods, the whole policy of the finance minister seems to be to encourage and help either the British or the foreign manufacturer.

I fail to note one change that will assist or help one Brantford industry. Why has the minister failed to give some consideration or direct some thought to a policy to encourage and help our own manufacturing industries? If he is sincere in his desire to lessen the imports from the United States, this would be the logical way to accomplish that purpose.

Might I say that I have no objection to the British preference when it does not interfere with and replace the products of our own factories, and take away the jobs of Canadian workingmen. In my opinion our first duty should be to assist and build up Canadian industries, so that Canadians may have the opportunity of employment at home and not be forced to seek a living on foreign soil.

There are other industries in Brantford which are greatly concerned over the reduction in duties under the British preference. I have in mind one of our most important manufacturing industries, employing in the neighbourhood of 150 hands, the manager of which has written me and has enclosed copies of letters written to the tariff board and to the finance minister in which he has outlined the difficulties of his industry. However, I will take that matter up when we come to the item.

Mr. RYCKMAN: I would point out to the minister that a duty of 2½ or 5 per cent may mean just the difference between getting the business and not getting it. I happen to be well acquainted with the city of Brantford. I lived there for three years and know the industries that have been referred to by my hon. friend (Mr. Ryerson). I offer this suggestion for the special consideration of the minister, to let the general tariff stand as it was and do what he likes with the British preference. Surely these people should not be handicapped 2½ or 5 per cent in obtaining business when they have enjoyed that privilege before. Cannot the minister have a heart to the extent of 2½ and 5 per cent and restore this item to what it previously was?

Item agreed to.

Customs tariff—415b. Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Mr. GEARY: May I ask the minister if I am right in saying that we do not import into Canada washing machines from Great Britain?

Mr. DUNNING: A few this year, but none last.

Mr. GEARY: We export to Great Britain a certain number of washing machines, and we imported from the United States $1,650,000. The Commercial Intelligence Journal for the month of April has this to say from the trade commissioner in Liverpool:

One representative of a well-known washing machine company estimates that between 500 and 600 electric machines are sold in the United Kingdom each month. Of that number he believed over a third could be credited to Ameri-

can manufacturers, about a third to Canadian, and less than a third to English companies. The bulk of the American sales appear to be divided between three well-known firms, with one company claiming a major share. The English business goes largely to four companies, and Canada competes with three manufacturers.

There is no object in putting these articles on the free list under the British preference because we import none. But why lower the duty against the American product in view of our large importations?

Mr. ROSS (Moose Jaw): If our manufacturers of washing machines can compete in a free market in England, is there any reason why they should not be able to compete here?

Mr. GEARY: We imported $1,650,000 of washing machines into this country. Our manufacturers cannot compete in a free market. There are different types of washing machines and some that are produced in this country may appeal to English people. But why reduce the duty against the United States in view of our large importation?

Mr. DUNNING: I am not afraid that there will be any adverse effect upon the industry in Canada. The production last year amounted to about $9,000,000. As my hon. friend says, we imported $1,650,000 from the United States. All the evidence that I have goes to show that the reduced duty ought to be quite adequate.

Mr. GEARY: There are no importations under the treaty rate?

Mr. DUNNING: No.

Mr. GEARY: That has been reduced too, I see.

Item agreed to.

Customs tariff—415c. Clothes wringers, domestic, and complete parts thereof: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Mr. DUNNING: I have an amendment, Mr. Chairman, to add after the word "parts" the words "of metal."

Amendment agreed to.

Mr. KAISER: Why should there be a duty of 10 per cent on clothes wringers and washing machines be made free?

Mr. DUNNING: Perhaps my hon. friend's colleague sitting beside him could answer that.

Item agreed to.

[Mr. Geary.]

Customs tariff—415d. Sewing machines, with or without motive power incorporated therein; complete parts of sewing machines: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—415e. Sewing machines attachments: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—416. Machinery and apparatus and complete parts thereof, including machinery and apparatus for carbonizing lignite coal, but not including motive power, when imported by manufacturers of fuel briquettes for use exclusively in the manufacture of fuel briquettes, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—417. Machinery of every kind and complete parts thereof, and structural iron and steel, when imported for use exclusively in the construction and equipment of factories for the manufacture of sugar from beet root, under regulationns prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—418. Machinery and complete parts thereof, when imported by manufacturers for use exclusively in the manufacture of fish meal, stock and poultry food and fertilizers from fish and waste thereof, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. SHORT: Will the minister give us some information with reference to this item? I notice that this article was free under the old tariff, and is now made free under the British preference, with 15 and 20 per cent respectively under the intermediate and general tariffs. How many of these machines did we import from Great Britain last year?

Mr. DUNNING: My hon. friend is under a misapprehension in the first part of his remarks. These machines were not free in reality. They were free if not made in Canada, and during the last two years on acount of these machines being made in Canada they have become dutiable under old item 453. Formerly they came in under the old item 467a, when these machines were not made in Canada. Immediately they were made in this country they came in under the old item 453, which imposed rates of 15, 25 and 27½ per cent respectively. We are proposing a reduction from those rates respectively to free, 15 and 20 per cent.

Mr. SHORT: I understand that these machines are not made in Great Britain.

Mr. DUNNING: Oh yes.

Mr. SHORT: Are there any imports from Great Britain?

Mr. DUNNING: Very small. Our imports last year were $121,000, almost entirely from the United States.

Mr. SHORT: Were there no imports from Germany? I understand that several German machines have been imported into this country; not last year perhaps, but the year before.

Mr. DUNNING: Our information is that Germany is now coming into the market with this class of machinery. This machinery, as my hon. friend will see, is for the use of manufacturers of fish meal, stock and poultry food, and so forth.

Mr. SHORT: The importations last year were all from the United States?

Mr. DUNNING: Practically. There was a small importation from other countries, but my notes do not give the figures.

Mr. KENNEDY: Had the tariff board anything to say with regard to this item?

Mr. DUNNING: Yes, there was a hearing on it.

Mr. KENNEDY: I wonder if the minister could tell me just why machinery under item 417 for use in the manufacture of sugar from beet root should come in free, while there is a tariff on machinery used in the manufacture of fish meal, stock and poultry food and fertilizers? Surely, when you consider how hard it is for the farming industry to get protection under present conditions, there is no more reason why it should be asked to bear a burden of this kind than the beet sugar industry. It does not seem logical.

Mr. DUNNING: In the one case the article of machinery is made in Canada, and in the other it is not.

Mr. SHORT: Is there a Canadian manufacturer of fish meal?

Mr. DUNNING: Yes.

Mr. SHORT: Where is the factory located?

Mr. DUNNING: At Victoria, British Columbia.

Item agreed to.

Customs tariff—419. Machinery and complete parts thereof, of a class or kind not made in Canada, when imported by manufacturers of metal keys for the opening of cans containing food products for use exclusively in the manufacture of such keys, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—420. Machinery and complete parts thereof, of a class or kind not made in Canada, when imported by manufacturers of leather for use exclusively in the tanning of leather or the embossing of leather, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—421. Machinery and complete parts thereof, of a class or kind not made in Canada, viz: blungers, vibrating sifters or lawns, pugging machines, slip pumps, wet or dry pans, clay disintegrators, ball mills, clay wheels, pull-downs, batting-out machines, when imported by manufacturers of clay products for use exclusively in the manufacture of clay products, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—422. Street or road rollers and complete parts thereof: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—422a. Concrete road-paving machines, self-propelling, end loading type, with a capacity of 21 cubic feet of wet concrete or more; concrete and asphalt road finishing machines; form graders; sub-graders; cement guns; cranes, shovels, drag-lines, pull-shovels, skimmers and other excavating and material handling machines and equipment of a full-revolving type; trench and ditch excavating machines, round wheel or vertical or ladder boom, chain and bucket type, for digging vertical or sloping bank ditches; back filling machines and equipment, mounted on self-propelling wheels or crawling traction, semi, or full-revolving boom and scraper type; steam or air driven pile hammers or extractors; well-points; truck turntables; all the foregoing of a class or kind not made in Canada, and complete parts thereof: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 12½ per cent.

Mr. WHITE (London): With regard to concrete mixers, I have had representations from a concern in my constituency manufacturing machines of this type. I presume the minister has had from them an objection to this item?

Mr. DUNNING: We have had no objection to this item that I know of.

Mr. CHAPLIN: These are reported to be of a class not made in Canada.

Mr. WHITE (London): There was a deputation here a few days ago from some machinery manufacturers, and I understand they wanted to make certain changes in regard to the description.

Mr. DUNNING: Not of this item.

Mr. WHITE (London): The manufacturer to whom I referred wants to have the same change made in regard to this item, and he gives his reason in a communication to me. The change he would like to make would read:

—of a class or kind not procurable of Canadian manufacture.

Is there any objection to putting that in?

Mr. DUNNING: It is simply not possible, I am advised, to administer such a wording. That is the advice I get from my own officers and also from the customs.

Mr. WHITE (London): Perhaps the minister would bear with me for a few minutes. In this communication the manufacturer states:

Under the wording of new paragraph 427—

Mr. DUNNING: Probably we could have the discussion better on item 427.

Mr. WHITE (London): And let this stand?

Mr. DUNNING: If you want to deal with it on this item all right. Your remarks will apply to both?

Mr. WHITE (London): Yes, I will not make a second speech. He says:

We are most interested in Canadian manufacturing industry. Prior to the time the present government came into power most Canadian manufacturers were doing well.

Mr. DUNNING: That was a good start, anyway.

Mr. WHITE (London): Yes.

From that time on very few have made money. Take, for instance, the concrete machinery industry. Two companies have failed within the last three years and not one of them have made any advancement within the last few years.

In the case of our own company, who have plenty of capital, and everything requisite for a successful business, with over $350,000 invested, we have had nothing but our salaries in the last five years. Why? Because there is not sufficient business in Canada to keep our plant working to its full capacity after the business has been raided by unfair competition.

All that the Canadian manufacturer wants is a fair opportunity to secure the business—we can produce the goods of a quality equal to any—and at a fair price to the consumer.

[Mr. Dunning.]

Then he cites certain machines he makes which are sold at lower prices in Canada than similar machines are sold at in the United States. This is what he says in regard to the re-wording:

With a low tariff on machines not now made in Canada, purchasers will take advantage of the low tariff and the Canadian manufacturer will not even have an opportunity to quote and practically all special machinery, sixty per cent of which could be made in Canada, will be purchased in foreign countries. With provision whereby the Canadian manufacturer has an opportunity to quote they stand a fair chance of getting the business.

I will give an illustration of this. Six weeks ago one of the provincial utilities of Canada required a concrete mixer, especially constructed with a loading hopper designed to be loaded with materials located fifteen feet lower than the concrete mixer. This meant a machine equipped with special elevating equipment. A machine of this type is not made as standard in Canada or elsewhere.

Tenders were called—a Canadian company secured the order in the face of the keenest American competition and made delivery in eight days after the order was taken.

—and so on. He states that the proposed change would make it incumbent upon those who are purchasing such machinery to make sure it was not manufactured and could not be procured in Canada before going elsewhere. Can the minister help us in that direction?

Mr. DUNNING: I am advised that the wording would not be possible to administer.

Mr. BELL (St. Antoine): Mr. Chairman, on that very point, I desire to refer to item 445j. I have had several letters inquiring what is meant by the words, "of a class or kind not made in Canada." I think this phrase needs explanation.

Mr. DUNNING: It has been in the tariff for years.

Mr. CHAPLIN: That is why it ought to be changed; it is out of date.

An hon. MEMBER: Why do you want it changed?

Mr. BELL (St. Antoine): We will tell you in a minute. Is it left to the discretion of the customs officers to place their interpretation on this phrase? If so, I think it is open to very serious objection. What is the minister's interpretation of "a class or kind not made in Canada"? Like the hon. member for London (Mr. White) I received a letter proposing the following amendment:

—of a class or kind not made or not procurable in Canada.

Mr. EULER: Mr. Chairman, it is difficult enough now in the department to administer

the act under the phrase "made in Canada," and under the tariff changes it has become more difficult. But I think it will appeal to the reason of my hon. friend and the other members of the committee that if you substitute the phrase "procurable in Canada" you certainly put a duty upon the officers of the department that they cannot possibly carry out in a practical way.

Mr. BELL (St. Antoine): How does the minister interpret these words? I do not understand them.

Mr. EULER: We take the words "made in Canada" to mean exactly what they say.

Mr. BELL (St. Antoine): Does it mean that the whole article must be made in Canada?

Mr. EULER: The article enumerated must be made in Canada. It may be made of parts that are imported, because a good many plants in Canada are more or less assembling plants.

Mr. FANSHER (Last Mountain): Last year and this, in connection with certain machines that are run by chain belts, it was brought to my attention that while the machine and complete parts thereof could be brought in free up to a certain price, these parts could not be brought in free, because a similar chain belt was made in Canada, but it was not of the same size as that used in the machine. This caused considerable difficulty. It should be cleared up.

Mr. EULER: It is merely a matter of administration, and I am sure that my hon. friend would not expect me to give an absolute definition in regard to it. Varying cases come up from time to time and each of them has to be decided on its merits. That is all the information that I can give.

Item agreed to.

Customs tariff—423. Electric dental engines: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—424. Fire engines and other fire extinguishing machines; hand fire extinguishers; sprinkler heads for automatic sprinkler systems for fire protection; complete parts of all the foregoing, n.o.p.: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—425. Lawn mowers and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. STEWART (Leeds): How many lawn mowers came from England?

Mr. DUNNING: We imported $118,000, almost entirely from the United States.

Mr. STEWART (Leeds): Are there any imports at all from England?

Mr. DUNNING: If there are they are so small as not to be in my notes.

Mr. STEWART (Leeds): Why is the American tariff reduced; what is the reason in this particular case? Was this before the tariff board?

Mr. DUNNING: It was part of the iron and steel inquiry; is a 30 per cent duty not sufficient?

Mr. STEWART (Leeds): I am just asking what the motive was; was it the subject of any investigation at all?

Mr. DUNNING: Yes, as part of all similar machinery.

Mr. STEWART (Leeds): Was machinery in general the subject of investigation before the tariff board?

Mr. DUNNING: Yes, for weeks.

Mr. STEWART (Leeds): I understood the minister to say that steel and iron were, but—

Mr. DUNNING: And everything made from steel and iron, too. These items were investigated.

Mr. STEWART (Leeds): All machinery items?

Mr. DUNNING: Yes.

Mr. LUCAS: I understood the minister to say there were practically no imports of lawn mowers last year from the United Kingdom.

Mr. DUNNING: No, not last year.

Mr. LUCAS: Why is a duty of 15 per cent left on under the British preferential tariff?

Mr. DUNNING: They are made very largely in Canada.

Mr. LUCAS: I would think if there were none coming in from the United Kingdom, a reduction might encourage trade.

Mr. DUNNING: I find myself in the usual unfortunate position. When there is a reduction in the duty my hon. friends in that corner of the house keep quiet, and I get the attack from my hon. friends opposite. When there is an increase in duty my hon. friends directly opposite keep silent and the attack comes from the corner of the house.

An hon. MEMBER: The hon. gentleman seems to be getting it from all directions.

Mr. DUNNING: The opposition is never from the same section of the house in relation to any particular item.

Mr. LUCAS: I was not making an attack.

Mr. ROSS (Moose Jaw): You should be pleased that there is a reduction of 5 per cent.

Mr. CAMPBELL: These free items do not mean anything.

Mr. DUNNING: If my hon. friends would ask questions on the items which are reduced with the same industry they display in connection with other items, they would find out how much difference there is. I do not wish to take up the time of the committee reciting detail when it is not requested, but at a later time I will be able to demonstrate the value of the changes.

Mr. CAMPBELL: I have the figures before me for almost every item in the schedule.

Mr. QUINN: Did the minister say that there were no importations of this item from the United States?

Mr. DUNNING: Importations to the value of $118,000.

Mr. QUINN: And any from the United Kingdom?

Mr. DUNNING: A very small quantity.

Mr. QUINN: Does that not prove the fact of adequate protection; why reduce the duty?

Item agreed to.

Customs tariff—426. Ozone generators or airifiers and complete parts thereof, of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—427. All machinery composed wholly or in part of iron or steel, of a class or kind not made in Canada, n.o.p., and complete parts thereof: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. EVANS: Is it a fact that goods coming in under the British preferential tariff must be 50 per cent of British origin in raw material or work?

Mr. DUNNING: Yes.

Mr. EVANS: What are the conditions governing the clause "not made in Canada?" Does it refer to assembling plants, or must 50 per cent of the material be of Canadian origin?

[Mr. Dunning.]

Mr. DUNNING: For what purpose? This is not a tariff on goods made in Canada; it is a tariff on goods coming into Canada.

Mr. EVANS: I would like to know how it is interpreted.

Mr. DUNNING: It can only be interpreted as applying to goods coming into the country; it has nothing to do with goods made here, as far as the levying of the rate of duty is concerned.

Mr. EVANS: When do you consider that goods are made in Canada? Must they be wholly made here, or simply assembled?

Mr. DUNNING: That is a matter of customs administration. I am sorry the Minister of National Revenue (Mr. Euler) is not present. That enters into customs administration with respect to the applications for drawback of duty on parts or materials used in the manufacture of any article.

Mr. EDWARDS (Waterloo): I wish to refer to machinery not made in Canada, which was spoken of a moment ago. I would suggest that the item should be worded "not procurable in Canada," but that otherwise the tariff item should remain the same. I cannot understand how there could be any difficulty in administration under this item. I wish to draw particular attention to special iron tools which are not made in Canada at the present time. All the larger machine shops are equipped with draftsmen and pattern makers, and in some of the largest industries fully 25 per cent of their business is in the manufacture of special machinery. In this country there are about 700 branches of American industries, and about 70 branches of English industries. The men in charge of the American branches know that they can procure these special iron tools in the United States from the parent factory, and with that in mind they can bring them into this country at a duty of 20 per cent. All that the machine shops in this country are asking for is an opportunity to tender, and nothing more. They do not want a tilt in the duty, nor do they want greater protection. It seems to me that when the department is dealing with this item it should make a ruling to the effect that these shops which are equipped to make machinery should have the opportunity of tendering.

Mr. ROSS (Moose Jaw): You would have a tariff on them?

Mr. EDWARDS (Waterloo): Yes. In the manufacture of special tools it may be

that only one tool is made, and then the equipment is destroyed. Such machinery could be described in the tariff item as machinery "not procurable in Canada."

Mr. CHAPLIN: I wish to confirm the remarks of the hon. gentleman who has just spoken. He comes from a constituency which boasts probably the largest machinery making industries in Canada. I can illustrate his point from instances which occur in my own shop. We make special articles, and the tools that we use have to be specially manufactured. They are not procurable in the open market, and we have to have them made. In many cases we ourselves own the patterns. Under the present law the Canadian people never have a chance to make these tools because they are duty free from the United States.

Mr. DUNNING: No.

Mr. CHAPLIN: They come in at a very low rate of duty.

Mr. DUNNING: Twenty per cent.

Mr. CHAPLIN: Some of them are free.

Mr. DUNNING: There is a 20 per cent tariff under this item.

Mr. CHAPLIN: I am speaking of the whole range of tools.

Mr. EDWARDS (Waterloo): I think the minister can readily understand that there are tools which require special engineering, drafting and patterns. In the machine shop to which the hon. member for Lincoln (Mr. Chaplin) referred 25 per cent of the business is of a special nature. That machine shop is as well equipped as any machine shop in America. It may be however that these machines are standard in the United States, and for that reason they are willing to pay the 20 per cent duty.

Mr. DUNNING: In such case, if goods are made in Canada—

Mr. CHAPLIN: No, they are not made here; they are not standard equipment in Canada.

Mr. DUNNING: They are not standard, but they are made here; my hon. friend has told me that.

Mr. ROSS (Moose Jaw): They can be made here.

Mr. EDWARDS (Waterloo): They do not get an opportunity to tender on this work; all they want is an opportunity. They are not asking for greater protection. We have been speaking of a big shop with a turnover of about $2,000,000, and nearly 25 per cent of the business of that concern is in connection with pattern work. In this country we have engineers, pattern makers and draftsmen equal to any of their kind in the world. I do not think that the department should have any difficulty in the administration of the provision referred to by the hon. member. Surely that can be done.

Mr. DUNNING: The minister in charge of administering the act has given consideration to it, and he also agrees that the words "not procurable" would not be practical to administer.

Mr. EDWARDS (Waterloo): I do not know why that should be so. Surely it is more important to get work for these industries than to bother with a little administrative ruling.

Mr. ROSS (Moose Jaw): You have 20 per cent now.

Mr. EDWARDS (Waterloo): Yes. We do not want any more tariff at all; it is not a question of tariff.

Mr. DUNNING: Like all things that require interpretation, all these large n.o.p. items, that is, all which remain after everything has been described as accurately as possible, this is the subject of detailed administration and customs board rulings, under section 54. I cannot conceive the customs board ruling—of course, the customs board is like a court and I cannot say in parliament how they would rule on this, that or the next case—an article as not being made in Canada when, as a matter of fact, they know that an institution such as that to which my hon. friend refers is filling such orders right along, or similar orders. I cannot conceive of such a ruling being made. On the other hand, the words "not procurable in Canada," the department says simply, would not be possible to administer.

Mr. EDWARDS (Waterloo): I am trying to argue the point as strongly, strongly as possible, but it means a lot of business to these industries.

Mr. DUNNING: I do not think it does.

Mr. EDWARDS (Waterloo): Oh, but it does. You know it does; you had a representation here the other day from half a dozen big machine shops.

Mr. DUNNING: I never had such a representation.

Mr. EDWARDS (Waterloo): I beg your pardon if I am wrong, but I have a copy of a letter addressed to the minister and signed by half a dozen different industries. I can give it to the minister if he wishes to see it.

Mr. DUNNING: I did not see the people.

Mr. EDWARDS (Waterloo): I did not intend to imply that you saw these people, but this letter is signed by the John Bertram and Sons Company, Limited; the Brown-Boggs Foundry and Machine Company, Limited; Canada Machinery Corporation, Limited; Canadian Ingersoll Rand Company, Limited; Canadian Mead-Morrison Company, Limited; William Hamilton, Limited and John T. Hepburn, Limited. It seems to me it would be an easy matter for the department to inform these importers that they must notify the different shops before bringing in the goods in order to find out whether or not they can produce them. It is not a question of asking any favours at all; this is just requesting an opportunity to tender for the business.

Mr. CHAPLIN: In the case of goods coming in, I should like to ask the minister who determines as to whether or not this particular class or kind of goods is made in the country?

Mr. DUNNING: I am not familiar with the detail workings of the customs board.

Mr. CHAPLIN: Somebody must determine that.

Mr. DUNNING: Yes. The machinery must have been working for years, because of the presence of that feature in many items of the customs tariff.

Mr. CANTLEY: I wonder if the minister can give a little information along this line. Supposing John Bertram and Sons wrote the department and said they were prepared to make a lathe of some particular kind, and a little later machinery of that type was entered through customs duty free under this item, what would this department do in that regard.

Mr. DUNNING: I cannot answer that, any more than any minister can answer as to what the customs department ruling would be in a particular case, but I can tell my hon. friend what is common sense from my own point of view. As I explained to my hon. friend from Waterloo a moment ago, in my view the fact that the goods are being made or that similar goods are being made in Canada is sufficient.

[Mr. Dunning.]

Mr. EDWARDS (Waterloo): That is just where we differ; they are not being made.

Mr. VALLANCE: But they can be made.

Mr. EDWARDS (Waterloo): Yes.

Mr. DUNNING: My hon. friend is demonstrating that they are being made, the subject of special orders, right along.

Mr. EDWARDS (Waterloo): But not the same machines. Perhaps I did not make myself quite clear. There may be an inquiry for a machine of a certain type from an American branch concern. They know they can procure that machine in the United States, but that machine may never have been made in Canada although these plants are equipped to make it, and 25 per cent of their business is special work. All they want is the opportunity of tendering on these jobs. They say that they can make them. We are not asking any more protection by any means; we just want to transfer that work to Canadian workmen. I might add to that list of concerns the Waterous Engine Company of Brantford; they are in the same position, and there are a number of big plants similarly situated.

Mr. MILLAR: What change would be necessary to make that effective?

Mr. EDWARDS (Waterloo): Just the substitution of the words, "not procurable in Canada" for the words, "not made in Canada." In other words, these different machine shops want to receive the specifications and have a chance to tender on these special jobs. If the price is not good enough, all right; bring in the machine from the United States, but give them an opportunity of tendering, that is all.

Mr. CANTLEY: I will try to make this a little more clear to the minister. We have half a dozen engineering shops in Canada which are branches of American engineering firms. Supposing I want a multiple punch; the American concerns make it but the Canadian concerns do not make it. That is a machine that will punch fifteen or twenty holes at one operation, or a multiple drill, for example. The American concern makes it but the Canadian concern does not. The reason the Canadian concern does not make it is simply because they do not want to put in the plant to make a small quantity, and they prefer that such orders should be dealt with by the parent house. The result is that all such work goes to the United States. I can point out, in my own experience, numerous cases where that has taken place and where we have had to go to

the United States when the machine could be made and should be made in Canada. That is the point my hon. friend is trying to bring to the attention of the minister.

Mr. DUNNING: It has been carefully studied and I do not agree with my hon. friend as to the result, from my advice.

Mr. CHAPLIN: I will say to the minister that I do not believe the matter ever came up in the department before. It may have been carefully studied, but to my knowledge that same description has been there for twenty-five years. This is an important matter. I know from my own experience of over forty years that we buy machinery from the United States which is procurable here if we want to go after it. We can probably get it more quickly from the United States, but I believe in having the law so that a man will not be encouraged to bring in machinery from the United States.

Mr. EDWARDS (Waterloo): Mr. Chairman, I would like to read to the minister this little memorandum and perhaps it will put the matter more clearly than I have been able to do. It is as follows:

There is purchased annually in Canada machinery totalling many hundreds of thousands of dollars which is built to specifications. In some instances such machines may not have been built in Canada although Canadian plants are fully equipped to do so and are quite prepared to quote thereon.

In place of Item 427 we believe it would result in valuable expansion of Canadian manufacture and afford useful and reasonable opportunity to Canadian industry if the following wording which we recommend wyere substituted:

Proposed Item 427:

"All machinery composed wholly or in part of iron or steel of a class or kind not procurable of Canadian manufacture, n.o.p., and complete parts thereof: free; 15 per cent; 20 per cent."

It is only a matter of administration, and I trust the minister will give perhaps a little more serious consideration to it.

Mr. DUNNING: I have.

Mr. EDWARDS (Waterloo): You have not the right slant on it, because it is not asking any favour at all; it is not asking any change. This to a number of big plants is a serious matter. This request was presented to Mr. McKinnon of the tariff board, but from what the minister says I assume it never reached him.

Mr. DUNNING: I understood my hon. friend to say that I had received a delegation.

Mr. EDWARDS (Waterloo): I did say that, but it was a mistake on my part; I meant a letter.

Mr. DUNNING: I received that letter and had it investigated.

Mr. WHITE (London): The minister says that this could not be administered; what are the reasons for that statement?

Mr. DUNNING: The department says that it is entirely too vague.

Mr. EDWARDS (Waterloo): Suppose you were given a definite number of industries manufacturing this class of equipment, and it be made contingent for these goods being brought into Canada that those industries should be notified; could not that be done?

Mr. DUNNING: I see no reason why that could not be done under the existing item.

Mr. EDWARDS (Waterloo): They are not made in Canada?

Mr. DUNNING: Oh, yes.

Mr. EDWARDS (Waterloo): They are special tools and perhaps only one is built. I know one plant which employs fifty pattern makers and fifteen or twenty draftsmen, as well as many engineers; surely those men could be employed on this work aside from making the tool itself.

Mr. DUNNING: That is right.

Item agreed to.

Customs tariff—427a. All machinery composed wholly or in part of iron or steel, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—428. Traction engines and complete parts thereof, n.o.p.: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. ROSS (Moose Jaw): What type of traction engine does this item cover?

Mr. DUNNING: The engines covered by other items are traction engines for farm purposes, valued at not more than $1,400, which are allowed in free; machinery for lumbering, which includes traction engines, at 10, 15 and 20 per cent. The item now under consideration covers all other traction engines for farm purposes.

Mr. ROSS (Moose Jaw): This item would cover farm tractors?

Mr. DUNNING: Yes, not only for farming purposes but for any purpose.

Mr. ROSS (Moose Jaw): There is a cut of 12½ per cent in the general tariff?

Mr. DUNNING: Yes.

Mr. FANSHER (Last Mountain): I am quite sure that the people of western Canada will appreciate this reduction, but there is one point I would like to draw to the attention of the minister. Our municipalities buy the large caterpillar type of tractor for road making purposes, and they have been paying a duty of 27½ per cent plus a 2 per cent sales tax. For the past two years we have been debating in this house a resolution asking that this government give a grant in aid of highway construction. The government has taken the stand that it is not its business to make grants to provinces for road building, and if I remember correctly the Prime Minister stated that that would constitute a vicious principle, one government collecting the taxes and another government spending them. In the purchase of these tractors the municipal councils pay large sums of money into the federal exchequer. If there is any asset that is greater than another it is that of good roads, and such roads should be built at as near cost as possible. I would ask the minister to consider seriously the insertion of a clause which would allow municipalities which purchase these large tractors for road building purposes to bring them in free of duty. The minister is very familiar with the conditions in Saskatchewan and the other western provinces. This is very costly machinery and is used only for a short time during the period of the year when the soil is dry enough for road building purposes. We appreciate the reduction which has been made, but if this government believes that it is a vicious principle for one government to collect taxes and the other to spend them—I think we all agree that a municipality is a government—then a municipal government should not be called upon to collect taxes on road machinery and pay them over to the federal treasury.

Mr. ROSS (Moose Jaw): If the hon. member for Last Mountain is advocating a free tariff for tractors for road building purposes, I would say that all tractors for farm purposes should be made free of duty. No tractors of this type are made in Canada to-day, and the farmers of Canada are using tractors more and more. On the farms in western Canada they are beginning to use the larger types of tractors in order to handle heavier machinery, and as no industry in Canada would be injured, I would suggest to the minister that in his next budget, which he will bring down next year, he consider allowing in free the larger type of tractors when they are used both for road building and farming purposes.

Mr. CARMICHAEL: We are not absolutely sure that the Minister of Finance will bring down a budget next year.

Mr. VALLANCE: If the other fellows do it, then you will not get it.

Mr. CARMICHAEL: Sometimes things happen even although we do not wish them to, and there is nothing like doing good work at the present time. I notice that this item is free under the British preference, and I would like to know the importations from Great Britain.

Mr. DUNNING: Previously this item was dutiable at 15 per cent under the British preference.

Mr. CARMICHAEL: Were there any importations from Great Britain?

Mr. DUNNING: No.

Mr. CARMICHAEL: I would like to endorse what the hon. member for Last Mountain has said in regard to giving special consideration to tractors used for road building purposes. Under the old tariff a rate of 27½ per cent was imposed, and a tractor costing around $3,000 had to pay $825 in duty. Some of these tractors cost more than $3,000 because the municipalities require tractors of 60 horsepower or greater. A payment of $825 for duty on one tractor means that the municipal council must tax the ratepayers to that extent, and it seems to me that these tractors are just as much entitled to free entry as are the small $1,400 tractors for farming purposes. It is true that a reduction of 12½ per cent is being made, but on a $3,000 tractor the payment of 15 per cent duty under the general rate would amount to $450 and the duty under the intermediate tariff at 10 per cent would amount to $300. These amounts must be paid by taxation levied upon the farmers, mostly in the prairie provinces, and I can say that they find it hard enough to get their taxes together for necessary purposes. It seems to me this is one instance where the federal government could give the benefit of complete elimination of this tax to the farmer who is struggling along and trying to make things go. As the hon. member for Last Mountain stated, this could be made to apply only to municipal corporations which buy such machinery for road building purposes. I wish to advise the minister that practically

every municipality is at present in or is rapidly getting into the position where it must have its own machinery to build its own roads. I would like to urge that special consideration be given to that point.

Mr. DUNNING: There is an aspect of this matter to which my hon. friends have not, I am sure, given consideration. They are interested, as I am and as all Canada is, in selling, amongst other things, wheat. We cannot sell unless we are prepared to buy. That is the situation at least so far as Great Britain is concerned. This is a class of goods in the production of which Great Britain undoubtedly excels, and we have a very encouraging indication of interest on the part of British manufacturers in this kind of tractor, especially for road making purposes. There is no doubt that if we made this item free across the board no British trade would be developed, and I have strong hopes that such trade will be developed as the result of leaving the item as we now have it. There is a substantial reduction in the duty so far as the purchaser of this article is concerned. A number of years ago in the west two British concerns manufacturing these heavy tractors made an effort to develop business. They learned of course that our system of doing business was different from theirs; they faced the necessity of establishing warehouses for parts and that sort of thing. It so happened that at that time western Canada was suffering from a series of poor crops; there was very little demand for their product, which was a very fine one of its kind, and in consequence nothing further developed. Judging from representations which have been made I am reasonably sure that with respect to this class of tractor we shall be able to import high quality machinery from the United Kingdom, and I am anxious that as far as possible that shall be done.

Mr. CANTLEY: The preference to Great Britain is exactly the same as it was before. Under those circumstances, how does the minister expect any considerable increase in trade from Great Britain?

Mr. DUNNING: The old item was 15 per cent, 25 per cent and 27½ per cent.

Mr. CANTLEY: The intermediate tariff before was 25 per cent. It is now 10 per cent, so that the preference to Great Britain remains the same.

Mr. DUNNING: But as my hon. friend knows, the general tariff is the one that is applicable. These goods come from the United States under the general tariff.

Mr. CANTLEY: Then the increase in the British preference is only 2½ per cent.

Mr. FANSHER (Last Mountain): Was it not the case that these large caterpillar tractors were used for logging purposes and that they were assessed at only 20 per cent?

Mr. DUNNING: If they were used for lumbering, the old duty was 20 per cent.

Mr. FANSHER (Last Mountain): And for road building in municipalities, the duty is 27½ per cent.

Mr. DUNNING: It was under the old schedule. It is now 15 per cent.

Mr. FANSHER (Last Mountain): Can the minister give us reasonable assurance that there is likely to develop a trade from Great Britain in this large tractor for road building and other similar purposes?

Mr. DUNNING: I can only indicate that the degree of interest displayed by British manufacturers of these goods, both at the inquiry and since, represents a very hopeful feature. I cannot, of course, positively promise that this or that will happen. It depends on the enterprise of the individuals concerned, and also, as I have impressed upon them, their willingness to give with the implement a type of service which corresponds with the requirements of our conditions.

Mr. CHAPLIN: What was the former spread between the general tariff and the British preferential tariff?

Mr. DUNNING: Twelve and a half per cent.

Mr. CHAPLIN: What is the spread now?

Mr. DUNNING: Fifteen per cent.

Mr. CHAPLIN: The minister expects to get a big increase in trade on an increase of 2½ per cent in the British preference?

Mr. DUNNING: I expect to do two things: I expect to reduce the cost of the article to the consumer by at least the reduction in the general tariff, and to offer to the British manufacturers a free market. They are well aware of the spread which exists under this arrangement, and they are certainly getting ready to go after the business.

Mr. CARMICHAEL: I appreciate the remarks of the minister, but the point I had in mind was the one just raised, namely, that with the general tariff, 27½ per cent, and the British preference, 15 per cent, the spread was 12½ per cent, yet we received no importations from Great Britain. Under the revised

tariff schedule the general tariff is 15 per cent and the British preferential tariff is free. It is true the spread is now 15 per cent, but I doubt whether the extra 2½ per cent preference is going to draw very much trade from the British Empire.

Mr. CANTLEY: The minister has one idea about this and I have another.

Mr. DUNNING: I would expect that.

Mr. CANTLEY: Where is the buyer of the British machine going to get his spare parts if his machine breaks down, and how long will he have to wait for them?

Mr. ROSS (Moose Jaw): In the province from which I come the dealer has to have his supply of spare parts on hand when he sells the machine. He cannot sell his machine in that province unless provision is made for supplying spare parts.

Mr. CANTLEY: He will not have spare parts on hand.

Mr. ROSS (Moose Jaw): Then he will not sell the machine.

Mr. CHAPLIN: They have never done this before, and they will not do it now.

Mr. ROSS (Moose Jaw): My hon. friend will find that a lot of trade will come in that way.

Item ageed to.

Customs tariff—428a. Automobile engines and complete parts thereof, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. COOTE: In 1926 there was a reduction in the tariff on automobiles. At the same time the excise tax was removed from automobiles made in Canada. I think hon. members will recall that the minister at that time assured the house that this would not make any difference in the price of automobiles; that the manufacturers had guaranteed that they would not take any advantage of the remission of the excise tax. Later on, in 1928, I drew to the attention of the minister the fact that apparently the manufacturers were taking advantage of that remission of excise tax, and when the matter was brought to his attention the minister promised to investigate it. He wrote to the manufacturers; the replies received—were placed on file, and apparently the matter was dropped. Last year it was again taken up with the minister, and on page 2302 of Hansard of last year I find recorded a letter which the late Mr. Robb wrote to the tariff board. I will read only the last paragraph of the letter, as follows:

It is important that this inquiry be conducted without delay and be as comprehensive as possible.

The inquiry which the board was to make was to ascertain whether the manufacturers of automobiles had been taking advantage of that remission of excise tax on Canadian-made cars costing less than $1,200. The matter was investigated by the board, and I want to quote just two or three sentences from the report.

Mr. DUNNING: What report?

Mr. COOTE: The report of the hearing before the board.

Mr. DUNNING: The report of the evidence?

Mr. COOTE: Yes.

Mr. DUNNING: I do not want to shut my hon. friend off, but I would respectfully call his attention to the fact that the item under consideration is automobile engines and parts. He cannot complain of others wandering afield if he takes up again a matter which has been discussed once this session and which does not relate to the item under discussion. I shall not call him to order, although I am very doubtful about his being in order.

Mr. COOTE: I have not as yet raised any point of order, I have not taken up much time, nor did I make a speech on the budget, because I knew the government was anxious to bring the session to a close. I shall not take more than two or three minutes. I would ask the minister if he has received a report from the board with regard to that particular inquiry, and if so, what was the nature of the report. I wanted to quote just one sentence from the remarks of the chairman of the tariff board after he had questioned Mr. Russell, one of the witnesses, in regard to this question whether the manufacturers were taking advantage of the remission of the excise tax. The chairman says:

It is perfectly obvious that you could not have maintained that price if the 5 per cent had not been removed from the domestic car and retained on the imported car.

The matter is I think rather an important one. We were assured by the late Minister of Finance that he would make the manufacturers live up to their promise. The matter has been under consideration by the department for at least two years—

Mr. DUNNING: No.

Mr. COOTE: —and the budget was then brought down and no mention was made of it. I just want to take advantage of this item to ask the minister this question in regard to the matter.

Mr. DUNNING: In fairness to my predecessor I think I should correct my hon. friend's statement that this matter has been under investigation for two years.

Mr. COOTE: I said by the department, because Mr. Robb undertook to investigate it two years ago.

Mr. DUNNING: Yes, but he soon found the complicated nature of it and how impossible it was to get at it departmentally. My hon. friend has referred to a letter written I think less than one year ago by my predecessor or, Mr. Robb, to the chairman of the tariff board. I can only say, Mr. Chairman, that earlier in the session, in a discussion directly bearing on this subject, arising out of a resolution introduced I believe by my hon. friend himself, I indicated that I had made inquiries as to the progress of the investigation and reported to the house that the information I received was that the matter was of a very complicated character, that the investigation was proceeding, and that I could not hold out any hope of an early conclusion, especially having regard to the amount of work it was necessary for the Tariff Advisory Board to do in cooperation with myself in the preparation of the budget. The work is proceeding with the aid of outside investigators, all of whom indicate its complexity and the lack of possibility of coming to an immediate conclusion with regard to it. I can assure my hon. friend, however, that it will be pushed along.

Mr. COOTE: I think the minister is referring to the investigation of the whole matter of the tariff on automobiles. The particular matter to which I am referring is altogether apart from that.

Mr. DUNNING: I am referring to that particular matter specifically.

Mr. COOTE: The only matter we discussed in the house on my resolution was whether the tariff on motor trucks should be reduced. There was no discussion of this particular inquiry to which I am now referring, although I mentioned in passing that naturally I expected the minister would take the excise tax off imported cars this year, because from a reading of the evidence taken before the board it seemed to me that it was clearly proven that the manufacturers had been taking a price advantage of the tax. Therefore I thought we might expect some statement from the minister this year in regard to it.

Mr. DUNNING: I cannot say anything further.

Mr. SIMPSON: Has the minister figures before him to show the value of the imports of automobile parts that were subject to the 25 per cent drawback?

Mr. DUNNING: I have the figures here relating to this particular item of engines. Our imports last year were $11,700,000. That is the only figure I have here, because no other item is under review.

Mr. SIMPSON: And that was subject to the 25 per cent drawback?

Mr. DUNNING: To the home consumption drawback.

Mr. COOTE: I would like to ask the minister whether his statement is to the effect that the tariff board say that they are not ready to report on this particular reference to them, in regard to whether or not the manufacturers are taking advantage of the reduction of the excise tax. That is the one question I have in mind. I am referring not to the tariff on automobiles, but to the question of the excise tax.

Mr. DUNNING: My advice is that they are not ready to report on any phase of the matter, including the phase to which my hon. friend refers.

Mr. CHAPLIN: In the particular item we are discussing,—and it is a phrase that comes into this tariff in very many instances—there are the words, "and complete parts thereof." Will the minister say just what that means?

Mr. DUNNING: I am rather embarrassed when asked these administrative questions, especially when they relate to phraseology which has been part of the tariff for many years, and which has acquired a definite administrative meaning. My hon. friend knows that the Minister of Finance does not administer the act. I am under some difficulty in answering him. I can only say that in this case as in all others the words mean exactly what the Customs department in administering the act in the past has interpreted them to mean in relation to similar cases.

Mr. CHAPLIN: I understand that, after all, the Minister of Finance is responsible for the wording of these items.

Mr. DUNNING: What is wrong with this wording?

Mr. CHAPLIN: I am not saying that anything is wrong, but I want to know what these words mean, because two or three meanings can be taken from them.

Mr. DUNNING: My hon. friend has had a very wide experience, and I am quite sure he knows much better than I do what the standard practice of the Department of National Revenue is in interpreting the expression "and complete parts thereof".

Mr. CHAPLIN: I had an experience last year and the year before with the executive in the customs department, and I am going to be a little more careful in the future, if I am here, to see that no such errors creep in again. I had experience with the way grapes were handled, and I am a little bit suspicious now.

Mr. CANTLEY: There is a redundancy here; there is no question about that. A part is a part. What is a complete part? Is it not still a part?

Mr. ROSS (Moose Jaw): Is it a finished part?

Mr. CANTLEY: If it is a finished part, why not say so?

Mr. ROSS (Moose Jaw): I am not saying that it is; I am asking.

Mr. DUNNING: I only know that the phrase has been used in years of customs practice. If the Minister of National Revenue were here he could probably answer, but I have not the necessary knowledge.

Mr. CANTLEY: The world does move a little.

Mr. DUNNING: My hon. friend does not.

Mr. CANTLEY: You will find out at the election whether I do or not.

Mr. DUNNING: I beg my hon. friend's pardon.

Mr. CHAPLIN: The minister is stationary on this item.

Mr. COOTE: In regard to the excise tax on automobiles, would the ministry be good enough to assure the house that the board will give a report on that particular matter before the budget comes down next year?

Mr. CHAPLIN: He will not be here.

Mr. COOTE: I do not think that is asking too much. I have been stalled off in this matter for a long time. The former Minister of Finance stalled me off for a year, and then referred the matter to the tariff board. We still have no report from the board although the chairman, whose comment I have just quoted, said that it was perfectly obvious that the Canadian manufacturers could not maintain their price if the 5 per cent had not been removed from the domestic car and retained on the imported car. Will the minister therefore assure us that the board will hurry up and make a report before the next budget comes down?



Mr. DUNNING: I must express my thanks at the confidence my hon. friend displays that I shall be here to deliver the budget next year. I can assure him that I will do everything humanly possible to get the automobile matter in shape so that parliament can deal with it. More than that I cannot say. There is no object in deliberately holding up investigations of this kind; one desires them to come to a conclusion, particularly if he is in a position of administrative responsibility with regard to them. I have that desire, and I can assure my hon. friend that I shall do the best I can. I hope he will remember that I came into this department only a few months ago and a very short time before the session, and it has not been easy for me to master, even as imperfectly as I have succeeded in doing, the tasks of the department. I can only say I am doing the best I can in regard to it.

Mr. COOTE: Then I would ask the minister in the very near future while he is still in charge of the department to request the board to endeavour to have a finding made in regard to this matter.

Item agreed to.

Customs tariff—428b. Engines or boilers, of a class or kind not made in Canada, and complete parts thereof, n.o.p.: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—428c. Engines or boilers and complete parts thereof, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. KENNEDY: Some days ago I asked the minister for certain figures in regard to the imports of these items under the general tariff, the intermediate and the British preferential for 1929. The minister said he was giving the figures for each item as he went along, and we could add them up and arrive at the totals. Has he made any arrangement to give us the totals?

Mr. DUNNING: No.

Mr. KENNEDY: It is simply a matter of getting somebody to operate an adding machine.

Mr. DUNNING: It is not an easy matter to promise the information immediately when the staff is very busily engaged in this work, but I will endeavour to secure the information for my hon. friend before parliament prorogues. I will do the best I can, without making any guarantee.

Item agreed to.

Customs tariff—429. Cutlery of iron or steel, plated or not:—

(a) Knife blades or blanks, and table forks, of iron or steel, in the rough, not handled, ground or otherwise manufactured: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

(b) Table knives and table forks: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(c) Pen knives, jack-knives and pocket-knives of all kinds: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(d) Knives, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(e) Spoons: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(f) Scissors and shears, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

(g) Razors and razor blades: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. CHAPLIN: Under (a) of this item what were the importations?

Mr. DUNNING: They were $10,000, chiefly from the United States.

Mr. CHAPLIN: And none from Great Britain?

Mr. DUNNING: There were some importations, but quite small.

Mr. McMILLAN: Here is a class of articles that we get from Great Britain of the very best quality, and if we want to encourage trade with the home land, as has been said so often by the finance minister, these articles should be placed on the free list.

Mr. EDWARDS (Waterloo): Is the hon. member sure he can get those articles better in Britain than in Canada?

Mr. McMILLAN: Yes, that has been my experience. For instance, we get our best ditching spades from Great Britain. Many a time I have waited until my dealer could send to Britain for them. There is no comparison. We should encourage the importation of these goods from Great Britain.

Mr. EDWARDS (Waterloo): Would the hon. gentleman prefer to buy them there rather than in Canada?

Mr. McMILLAN: I prefer to get the best I can get.

Mr. LUCHKOVICH: Many of these things are brought in from Germany. I purchased some time ago razor blades made in Germany.

Mr. DUNNING: On item (b) the imports last year were $558,000, of which $402,000 came from the United Kingdom and $110,000 from the United States. Perhaps my hon. friend from South Huron (Mr. McMillan) is not aware of the fact that the United Kingdom imposes a 20 per cent duty against Canadian knives and forks. That is one of the items covered by the present so-called safeguarding duties of the United Kingdom. Under item (c) the imports were $315,000, of which $205,000 came from Germany and $78,000 from Great Britain. Under item (d)—that was a basket item formerly, an n.o.p. item—the total imports were $433,000, of which $204,000 came from the United Kingdom and $150,000 from the United States. We also bring spoons into the cutlery group under item (e), but I have not any information on the value of spoons imported, because they were not separately classified before. Under the scissors group we imported $178,000, of which $101,000 came from Germany and $63,000 from the United States. So far as the razor group is concerned, we imported $109,000, of which $55,000 came from Germany and $30,000 from the United States. As to (g), razors and razor blades, we imported $109,000, of which $44,000 came from Germany, $34,000 from the United States, and $22,000 from Great Britain.

Item agreed to.

Customs tariff—430. Nuts and bolts with or without threads, washers, rivets, of iron or steel, coated or not; nut and bolt blanks, of iron or steel; per one hundred pounds: British preferential tariff, 50 cents; intermediate tariff, 50 cents; general tariff, 75 cents.

And, British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. CANTLEY: What is the reason for reducing the duty on nuts and bolts while the next item remains practically as it was before?

Mr. DUNNING: It depends upon which comparison my hon. friend is taking in connection with the next item. Of nuts and bolts in 1929 we imported $593,000, of which $570,000 came from the United States and $22,000 from the United Kingdom. This is one of the items of which my hon. friend from Macken-

zie (Mr. Campbell) would say: Of course, there is no chance of doing any business with Great Britain; the imports are relatively small. I may tell him that although in many of these items the imports from the United Kingdom are small, I fully expect that the United Kingdom will be able to take the trade from the United States. This is one of them.

Mr. CHAPLIN: No chance. Raise the American tariff and you will accomplish your purpose.

Mr. KAISER: You have both a specific and an ad valorem duty in this item.

Mr. DUNNING: Yes, it is the same in that regard as formerly, but reduced.

Item agreed to.

Customs tariff—430a. Hinges and butts, of iron or steel, coated or not; hinge and butt blanks, of iron or steel: per one hundred pounds: British preferential tariff, 75 cents; intermediate tariff, 75 cents; general tariff, 75 cents.

And, British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—430b. Screws, of iron or steel, coated or not:
(I) Wood screws: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.
(II) Machine and other screws, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. RYCKMAN: I find that item 352b, already passed, reads this way:

Screws of brass, copper or other metal, n.o.p.:
(a) Wood screws.
(b) Machine and other screws, n.o.p.

This item reads:

Screws, of iron or steel, coated or not:
(I) Wood screws.
(II) Machine and other screws, n.o.p.

I am interested in cap and set screws, and I wish to ask the minister if these screws come under item 352b; if they do, I am satisfied. I think they ought to be taken out of item 430b if they are included in item 352b. Frankly I must admit that I do not know which item covers these screws. If cap and set screws are allowed to remain in item 430b an important industry will be very much affected; there is however no objection to their remaining under item 352b.

Mr. DUNNING: The distinction is drawn in the material of which the screws are made. Item 352b covers what is left of the screws after the iron and steel screws dealt with in the present item are taken out. No change was made in the rate of duty under item 352b, because no inquiry had been made with respect to screws of materials other than iron and steel.

Mr. CHAPLIN: I think the item of cap and set screws referred to by the hon. member comes under the heading of machine screws.

Mr. DUNNING: Yes, they do.

Mr. RYCKMAN: I must admit that I am at sea. Item 352b refers to machine and other screws; item 430b refers to machine and other screws; they both refer to metal screws.

Mr. DUNNING: The two items are governed by the phrase at the beginning. In this item we have:

Screws of iron or steel, coated or not:
(I) Wood screws.
(II) Machine and other screws, n.o.p.

Mr. RYCKMAN: Can the minister tell me why cap and set screws would come in under item 430b but not under item 352b?

Mr. DUNNING: They would come in under item 430b if they were made of iron and steel. When made of brass, copper or any other material they come in under item 352b.

Mr. CHAPLIN: Item 352b refers to brass, copper or other metal, but does not refer to steel.

Mr. RYCKMAN: Surely that includes steel.

Mr. DUNNING: No, the item contains the expression "not otherwise provided."

Mr. RYCKMAN: Do cap and set screws come under item 430b?

Mr. DUNNING: They do if they are of iron and steel; if they are made of brass they would come under item 352b.

Mr. RYCKMAN: Item 352b says "screws of brass, copper or other metal."

Mr. DUNNING: "N.o.p."—not otherwise provided.

Mr. RYCKMAN: Item 430b refers to machine and other screws, n.o.p.

Mr. DUNNING: They are of iron and steel. My hon. friend has not read the first line. The item is:

Screws of iron or steel, coated or not:
(I) Wood screws.
(II) Machine and other screws, n.o.p.

The first line of the item covers the articles in question.

Mr. RYCKMAN: I will not ask for any further elucidation by the minister. I would ask however if representations have been

made in connection with this item. I know of an important industry which will be very seriously affected if cap and set screws come in under item 430b; it will not be affected however if they come in under item 352b.

Mr. DUNNING: I have no recollection of any representations in regard to the matter; it appears to be well understood.

Mr. EDWARDS (Waterloo): What was the importation of set screws from the United States?

Mr. DUNNING: The imports of iron or steel screws are not separately traceable as distinguished from other screws. I may say however that all kinds of wood screws entered to the value of $25,000. Of that total $19,000 worth came from the United States. There was an importation of $158,000 worth of all kinds of machine screws; of that total $155,000 worth came from the United States.

Mr. EDWARDS (Waterloo): How much came from Great Britain?

Mr. DUNNING: About $3,000 worth.

Mr. CAYLEY: I have noticed that the general rate is reduced from 35 per cent to 30 per cent. Has there been a change in the drawback on raw materials? I am particularly interested in this item because we have a flourishing factory at Ingersoll engaged in the production of these commodities.

Mr. DUNNING: Yes, there is a reduction in the drawback from 99 per cent to 60 per cent. Representations have been made in connection with this item, which I am now considering. My hon. friend from East Toronto may have been referring to the fact mentioned by the hon. member for South Oxford.

Mr. RYCKMAN: No. I have in my hand a copy of a letter addressed to W. H. Moore, Chairman of the Tariff Advisory Board.

Mr. DUNNING: Under what date ?

Mr. RYCKMAN: It is a copy of a letter, and apparently it is not dated.

Mr. DUNNING: Probably it is an old one.

Mr. RYCKMAN: No. The letter is as follows:

> It is in these circumstances that we visited you on the 7th instant and to ask that cap and set screws be excepted from item 430b (II). If these could be excepted from 430b (II) and made to fall under item 352b such a change would enable us to hold this business.

Mr. CAYLEY: I have had similar correspondence regarding this item from the John Morrow Screw and Nut Company, Limited, of Ingersoll, stating that in view of the fact that they were affected both by the reduction in tariff and by the drawback, they could hardly expect to meet competition.

Mr. DUNNING: I am considering representations regarding the drawback item.

Mr. RYCKMAN: This represents another instance of tariff revision by which no good will come to this country and men will be thrown out of employment, because, as was stated by the minister a moment ago, he is unfamiliar with the matter.

Mr. DUNNING: I made no such admission.

Mr. RYCKMAN: The hon. gentleman made the earnest plea a few minutes ago that we remember he has not been very long in his present office, and that he is not as familiar with these matters as he had hoped to be.

Mr. DUNNING: I did not say that.

Mr. RYCKMAN: Hansard will show whether the hon. gentleman said it or not; I shall leave it to the judgment of the committee. On an earlier occasion, in 1922, I protested against the proposed duty on cigarettes. The then Minister of Finance said that if he found in the following year a mistake had been made, the duty would be taken off. The fact is that millions of dollars were lost to this country; the loss has been estimated at more than $20,000,000. The duty on cigarettes was responsible for smuggling and all sorts of illegal practices. In the year following my protest the former minister restored the situation to what it had previously been. I cannot sit here calmly knowing that no good is coming to the country but that on the contrary it will suffer through the inexperience of its finance minister.

Mr. DUNNING: Whatever my hon. friend may say about my inexperience he will no doubt admit that there has never been as careful an examination into tariff matters as has been made by the Tariff Advisory Board of Canada in connection with the iron and steel items. That is a fact generally admitted by the industry. The best evidence of the efficiency of that investigation is the small number of complaints I have received from the industry.

Mr. CHAPLIN: I would like the minister to explain the two items before us. In the first place we have item 352b dealing with:

> Screws of brass, copper or other metal, n.o.p.:
> (a) Wood screws.

This item must refer to brass, copper or other metals.

Mr. DUNNING: Not otherwise provided.

Mr. CHAPLIN: Yes. Then we have:

(b) Machine and other screws, n.o.p.

Then in item 430b we find:

Screws of iron or steel, coated or not:
(I) Wood screws.
(II) Machine and other screws, n.o.p.

This item refers to screws of iron or steel. I do not know which is the main item; I do not know which deals with steel machine and cap and other screws, and I do not think either of these items shows me.

Mr. DUNNING: It is plain enough, 430b covers screws of iron or steel. The whole item is governed by the first line, which says, "screws, of iron or steel." The second part of 430b deals with machine and other screws of iron or steel, n.o.p.

Mr. CAYLEY: Was the John Morrow Company represented at the hearings?

Mr. DUNNING: Yes.

Mr. CAYLEY: On this particular item?

Mr. DUNNING: They were present at the hearing. Offhand I cannot say to what extent they may have taken part in the discussion.

Mr. CAYLEY: When this item was being considered?

Mr. DUNNING: Yes, they were present during those days.

Mr. CAYLEY: But I have the assurance that the minister will give this matter consideration?

Mr. DUNNING: I am giving consideration to the argument with respect to the drawback, not with respect to this item.

Mr. CHAPLIN: I should like to ask one more question of the minister with respect to Item 352b. What does "other metals" mean? What is the object of having those words in there?

Mr. DUNNING: Any metal other than iron or steel, which is dealt with in this item.

Mr. STEVENS: Platinum, for instance?

Mr. DUNNING: Anything.

Item agreed to.

Customs tariff—430c. Wiring roofing nails of all sizes and wire nails one inch or more in length, of iron or steel, coated or not, per one hundred pounds: British preferential tariff, 40 cents; intermediate tariff, 55 cents; general tariff, 60 cents.

Item agreed to.

[Mr. Chaplin.]

Customs tariff—430d. Cut nails, of iron or steel, coated or not, per one hundred pounds: British preferential tariff, 30 cents; intermediate tariff, 45 cents; general tariff, 50 cents.

Item agreed to.

Customs tariff—430e. Wire nails less than one inch in length, and nails, brads or tacks of all kinds, n.o.p., of iron or steel, coated or not: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—430f. Railway spikes, of iron or steel, coated or not: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. CHAPLIN: Why was this changed from a specific to an ad valorem duty?

Mr. DUNNING: It developed in the discussion as being a more satisfactory way of dealing with the matter, having regard to the nature of the commodity. All other goods of this type in the group are ad valorem.

Mr. KENNEDY: Is the duty raised or lowered?

Mr. CHAPLIN: Immediately above we have cut nails and things of that kind under a specific duty.

Mr. DUNNING: Replying to my hon. friend (Mr. Kennedy) I may say there is no change in the duty.

Mr. CHAPLIN: I cannot understand why you change it from one to the other. In the two items above, 430c and 430d, you have a specific duty, and here you change to an ad valorem duty.

Mr. DUNNING: If my hon. friend will look at the succeeding items he will find that spikes generally are on an ad valorem basis.

Item agreed to.

Customs tariff—430g. Spikes, of iron or steel, coated or not, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 30 per cent.

Mr. CANTLEY: Why the reduction on railway spikes and no reduction on the next item?

Mr. DUNNING: There is no reduction on railway spikes.

Mr. CANTLEY: There is quite a change, then.

Mr. DUNNING: Yes, from specific to ad valorem, but on the same basis.

Item agreed to.

Customs tariff—431. Shovels and spades, of iron or steel, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—431a. Axes: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. RYCKMAN: Why is this item in the tariff? It seems there is no change whatever.

Mr. DUNNING: It is a matter of renumbering. It was a part of the agricultural implement group before, and we had to renumber the whole group and name the items.

Mr. RYCKMAN: Apparently it was under item 449, and all the items in 449 were made free with the exception of axes. Is that not so?

Mr. DUNNING: No, that is not so.

Mr. RYCKMAN: What is the difference between the duty on the other articles under present item 449 and the present provision with regard to axes?

Mr. DUNNING: Item 449 consisted of axes, scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, rakes, n.o.p., and pronged forks.

Mr. RYCKMAN: How was it dealt with?

Mr. DUNNING: Axes are removed from the purely agricultural item and put into this item by themselves, with no change in duty. The other items are included under new item 409i in the agricultural implement group, made free under the British preference, with the other rates unchanged.

Mr. RYCKMAN: I know a little about a farm, and I think an axe is an agricultural implement found upon a farm as frequently as a hoe or a rake. Will the minister tell me why the farmer receives different treatment with regard to axes from what he receives with regard to hoes and rakes? How was the conclusion arrived at?

Mr. DUNNING: Of course an axe is a tool; it is in the tool group.

Mr. CHAPLIN: Are shovels and spades in the tool group?

Mr. KENNEDY: During the budget speech the minister said he was making free under the British preference other machinery formerly dutiable, including machines for grading roads, cranes and shovels.

Mr. DUNNING: But the shovels referred to there are concrete machinery and power shovels.

Mr. KENNEDY: Steam shovels?

Mr. DUNNING: Yes, power shovels for road making.

Mr. RYCKMAN: Why are hoes and rakes free under the British preference while axes have a protection of 10 per cent?

Mr. DUNNING: The tools which are specifically agricultural implement tools are grouped together, and are now free under the British preference. Axes, shovels, spades, and tools of that kind still carry a 10 per cent duty. They are not specifically agricultural implements, as scythes are. The lumberman does not use a scythe.

Mr. RYCKMAN: Of course you have been on a farm, I suppose; I know I have been on a farm, and I think the axe is as much a farmer's tool as a hoe.

Mr. DUNNING: It is equally a lumberman's tool.

Mr. CHAPLIN: There are more scythes used to-day by the railways than are used on the farm.

Mr. DUNNING: Perhaps that is so.

Item agreed to.

Customs tariff—431b. Adzes, anvils, vises, cleavers, hatchets, saws, augers, bits, drills, files, rasps, screwdrivers, planes, spokeshaves, chisels, mallets, metal wedges, wrenches, sledges, hammers, crowbars, cantdogs, and track tools, picks, mattocks and eyes or polls for the same: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—431c. Precision tools, viz.: combination squares, slide calipers, micrometers, depth thickness or screw pitch gauges, rules, and measuring tapes of metal: British preferential tariff, 15 per cent; intermediate ariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—432. Hollow-ware, of iron or steel, coated or not, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. ROSS (Moose Jaw): What is this item? What comes under this?

Mr. DUNNING: This covers ordinary iror hollow-ware, the ordinary black iron, painted or otherwise covered. The imports last year amounted to approximately $198,000, mostly from the United States although some came from Great Britain.

Mr. COOTE: Does this include kitchen ware?

Mr. DUNNING: No, the next item.

Item agreed to.

Customs tarif—432a. Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated: British preferential tariff, 10 per cent; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. ROSS (Moose Jaw): How much of that comes from the old country?

Mr. DUNNING: The total imports in 1929 were valued at $76,000.

Mr. CHAPLIN: Will the minister give us the importations under this item?

Mr. DUNNING: The importations of dairy utensils were valued at about $9,000, coming from the United Kingdom. There are different classifications and it is rather difficult to extract the items.

Item agreed to.

Customs tarif—432b. Hollow-ware, of iron or steel, coated with vitreous enamel: British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 35 per cent.

Mr. EDWARDS (Waterloo): What were the importations from Great Britain of this item?

Mr. DUNNING: $80,000.

Mr. EDWARDS (Waterloo): How much from Germany?

Mr. DUNNING: About $81,000 worth.

Mr. EDWARDS (Waterloo): And Sweden?

Mr. DUNNING: There is no detail for Sweden; it would not be much in any event.

Mr. EDWARDS (Waterloo): And from Czechoslovakia?

Mr. ROSS (Moose Jaw): Is this one of the items where we might expect the development of trade from the old country?

Mr. DUNNING: The importations from the United Kingdom last year amounted to about $80,000.

Mr. ROSS (Moose Jaw): There is a 10 per cent advantage against competitors.

Mr. CHAPLIN: It was 15 per cent before.

Mr. DUNNING: The importations from Czechoslovakia amounted to $19,000.

Item agreed to.

[Mr. Dunning.]

Customs tariff—432c. Containers manufactured from tinplate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under regulations prescribed by the minister: British preferential tariff, 10 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—432d. Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p: British preferential tariff; 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—433. Baths, bathtubs, basins, closets, lavatories, urinals, sinks, and laundry tubs of iron or steel, coated or not: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—434. Locomotives, and motor cars, for railways, and chassis, tops, wheels, and bodies for the same, n.o.p.: British preferential tarif, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—435. Locomotives and motor cars for railways, of a class or kind not made in Canada, for use exclusively in mining or metallurgical operations: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—436. Locomotives and railway passenger, baggage and freight cars, being the property or under the control of railway companies in the United States, running upon any line or road crossing the frontier, so long as Canadian locomotives and cars are admitted free under similar circumstances into the United States, under regulations prescribed by the minister: British preferential tariff —; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—437. Locomotives, cars and coaches and repair equipment, belonging to railroads, brought temporarily into Canada for the purpose of clearing obstructions, fighting fires or making emergency repairs on railway lines within Canada: British preferential tariff, —; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—438. Railway cars and parts thereof, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. COOTE: What were the importations under this item?

Mr. DUNNING: Valued at $2,000,000.

Item agreed to.

Customs tariff—439. Bicycles and tricycles, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tarff, 30 per cent.

Item agreed to.

Customs tariff—439a. Articles, of iron or steel, wholly or in part of nickel or electroplated, when imported by manufacturers of bicycles or tricycles for use exclusively in the manufacture of bicycles or tricycles, in their own factories, under regulations prescribed by the minister: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—439b. Cars, n.o.p., wheelbarrows, trucks, road or railway scrapers and hand carts: British preferential tariff, 15 per cent: intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—439c. Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof: British preferential tariff, free: intermediate tariff, 10 per cent; general tariff, 10 per cent.

Mr. KENNEDY: What were the importations of this item from Great Britain?

Mr. DUNNING: The total importations were valued at $436,000, all from the United States. I do not suppose my hon. friend would want the rate raised against Great Britain?

Mr. CHAPLIN: Raised as against the United States.

Mr. DUNNING: Is that what the hon. member for Peace River (Mr. Kennedy) desires?

Mr. KENNEDY: I wanted to know if there was any real meaning in this item.

Mr. DUNNING: Only that it is absurd to have a duty against Great Britain.

Item agreed to.

Customs tariff—439d. Freight wagons, drays, sleighs, n.o.p., and complete parts thereof: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—439e. Buggies, cutters, carriages, pleasure carts and vehicles, n.o.p.; complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

Mr. CHAPLIN: Does the minister expect any importations from Great Britain of this item?

Mr. DUNNING: There would not appear to be any expectation of importations of buggies and cutters.

Item agreed to.

Customs tariff—439f. Children's carriages, sleds and other vehicles; complete parts of all the foregoing: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. DUNNING: I have been asked to allow this item to stand.

Mr. BOIVIN: I have received some communications from manufacturers which I would like to submit to the minister.

Mr. EDWARDS (Waterloo): I am glad to have the assistance of the hon. member for Shefford.

Mr. DUNNING: We will let the item stand until after the dinner recess.

Mr. CHAPLIN: What were the importations of this item?

Mr. DUNNING: They totalled $174,000, of which $131,000 worth came from the United States.

Mr. CHAPLIN: Where did the balance come from?

Mr. DUNNING: I will have that information after dinner.

Item stands.

Customs tariff—440. Ships and other vessels built in any foreign country, if British registered, since September 1, 1902, on application for licence to engage in the Canadian coasting trade; on the fair market value of the hull, rigging, machinery, boilers, furniture and appurtenances thereof (as provided in part XVI of the Canada Shipping Act): British preferential tariff, —; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—440a. Vessels, dredges, scows, yachts, boats and other water-borne craft, built outside of Canada, of any material, destined for use or service in Canadian waters (not including registered vessels, entitled to engage in the coasting trade, nor vessels in transit between Canada and any place outside thereof), n.o.p.; on the fair market value of the hull, rigging machinery, boilers, furniture, and appurtenances thereof, on arrival in Canada: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Provided that regulations may be prescribed by the minister for exemption from further duty after the duty specified in this item is once paid.

Item agreed to.

Customs tariff—440b. Life boats and life saving apparatus specially imported by societies to encourage the saving of human life: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440c. Racing shells when imported by a bona fide amateur rowing club in Canada for use exclusively by such club: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—440d. Anchors for vessels: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440e. Wire rope for use exclusively for rigging of ships and vessels, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440f. Iron or steel masts, or parts thereof; iron or steel angles, beams, knees, plates and sheets; cable chain; all the foregoing for ships and vessels, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440g. Manufactures of iron, brass or other metal, of a class or kind not made in Canada, for use exclusively in the construction or equipment of ships or vessels, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440h. Chronometers and compasses, and parts thereof, including cards therefor, of a class or kind not made in Canada, for ships or aircraft: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440i. The following articles and materials when imported by manufacturers of automatic gas buoys and automatic gas beacons, for use in the manufacture of such buoys and beacons, for the government of Canada, for marine signal purposes or for export, under regulations prescribed by the minister, viz: iron or steel tubes over sixteen inches in diameter; flanged and dished steel heads made from boiler plate, over five feet in diameter; hardened steel balls, not less than three inches in diameter; acetylene gas lanterns and parts thereof; and tobin bronze in bars or rods: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—440j. Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing bait and fishing hooks, n.o.p.: British preferential tariff, 20 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

[Mr. Dunning.]

Customs tariff—440k. Engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats bona fide owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—440l. Aircraft and complete parts thereof, not including engines, under regulations prescribed by the minister: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—440m. Engines, and complete parts thereof, when imported for use only in the equipment of aircraft: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

On and after July 1, 1930: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—441. Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms; cartridge cases, cartridges, primers, percussion caps, wads, or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material: British preferential tariff, 10 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—441a. All tools and machinery not manufactured in Canada up to the required standard necessary for any factory to be established in Canada for the manufacture of rifles for the government of Canada, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—441b. All materials or parts in the rough unfinished, and screws, nuts, bands and springs, to be used in rifles to be manufactured at any factory, to be established in Canada for the manufacture of rifles, for the government of Canada, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—441c. Steel imported by manufacturers for use in their own factories in manufacturing rough unfinished parts of rifles, when such parts are to be used in rifles to be made for the government of Canada, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—441d. Gun barrels, in single tubes, forged, rough-bored: British preferential tarif, free; intermediate tariff, free; general taraff, free.

Item agreed to.

Customs tariff—442. Articles which enter into the cost of manufacture of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c, when imported by manufacturers for use exclusively in the manufacture in their own factories of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c, under regulations prescribed by the minister: British preferential tariff, 5 per cent; intermediate tariff, 6 per cent; general tariff, 6 per cent.

Provided that goods which are entitled to free entry or to a lower rate of duty than is mentioned in this item shall not be entered at the rate specified in this item.

Mr. SIMPSON: Would the minister give us the importations under this and the following items?

Mr. DUNNING: This is in regard to goods when imported by manufacturers for use exclusively in their own factories. There was $348,000 worth of castings imported, all from the United States, and imports of the other articles mentioned amounted to $4,321,000, of which $4,224,000 worth came from the United States. No change in the rate of duty is proposed.

Mr. COOTE: Would the minister mind giving us the importations under 440l and 440m—aircraft?

Mr. DUNNING: Under 440l, aircraft of all kinds, the imports were $2,156,000, of which $1,504,000 worth came from Great Britain.

Item agreed to.

Customs tariff—442a. Pig iron or hot rolled iron or steel, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 490g, 490j, 409o, and 439c, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. WHITE (London): Will the minister give the imports of pig iron and hot rolled iron or steel separately?

Mr. DUNNING: Iron in pigs, $128,000, all from the United States; rolled iron and steel, $3,211,000, of which $3,198,000 worth came from the United States.

Mr. WHITE (London): And this is the way the minister is helping the primary industry!



Mr. DUNNING: Well, I have helped them, and I am trying now under this item not to hurt the others.

Item agreed to.

Customs tariff—442b. Materials which enter into the construction and form part of cream separators when imported by manufacturers of cream separators for use exclusively in the manufacture of cream separators, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—442c. Articles of metal when imported by manufacturers of cream separator parts for use exclusively in the manufacture of cream separator parts, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. STEVENS: Just before six, may I ask of the minister a question which has nothing to do with this item? Will the minister have this whole schedule revised with all changes, and reprinted for distribution to the members in that form when it is completed?

Mr. DUNNING: As a matter of fact it will be that form in the bill.

Mr. STEVENS: I mean with the extensions.

Mr. DUNNING: There are about thirty changes. We shall endeavour to have that done.

Item agreed to.

At six o'clock the Speaker resumed the chair and the house took recess.

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## After Recess

The house resumed at eight o'clock.

### PRIVATE BILLS

THIRD READINGS

Bill No. 202, for the relief of Mary Ada St. George.—Mr. Garland (Carleton).

Bill No. 203, for the relief of Sam Finkelstein.—Mr. Heaps.

Bill No. 204, for the relief of Martha Barker.—Mr. Gray.

Bill No. 205, for the relief of Jane Ella Pettigrew Thomson.—Mr. Bell (St. Antoine).

Bill No. 206, for the relief of Margaret Jean McClelland Dewar.—Mr. Hay.

Bill No. 207, for the relief of Ada Margaret Ruddick.—Mr. McPhee.

Bill No. 208, for the relief of Wilhelmina Emily Rudolph.—Mr. Bell (St. Antoine).

Bill No. 209, for the relief of Mabel Orion Baldwin.—Mr. Garland (Carleton).

Bill No. 210, for the relief of Antoine George Massabky.—Mr. Sanderson.

Bill No. 211, for the relief of Dorothy Agnes Dowling.—Mr. Garland (Carleton).

Bill No. 212, for the relief of Arthur Leslie Catton.—Mr. Maybee.

Bill No. 213, for the relief of Ruth Lyford Smith.—Mr. Bell (St. Antoine).

Bill No. 214, for the relief of Rhona Elizabeth Shaw Richardson.—Mr. Black (Yukon).

Bill No. 215, for the relief of Richard Trawny Parsons.—Mr. Harris.

Bill No. 216, for the relief of Armand Dufour.—Mr. Geary.

Bill No. 217, for the relief of Jessie Lillian Gwen Richmond-Parry.—Mr. Sanderson.

Bill No. 218, for the relief of Christina Dale Kingsbury.—Mr. Maybee.

Bill No. 219, for the relief of Gladys Hollings.—Mr. Spence.

Bill No. 220, for the relief of Nellie Louise Hughes.—Mr. Anderson (Toronto-High Park).

Bill No. 221, for the relief of Minnie Roberts.—Mr. Black (Yukon).

Bill No. 222, for the relief of Isabella Glennie Lefever.—Mr. Garland (Carleton).

Bill No. 223, for the relief of Aileen Somerville Thomas.—Mr. Gray.

Bill No. 224, for the relief of Harris Charlton Eckmiere.—Mr. Lawson.

Bill No. 225, for the relief of Rhea Blanche Wilson.—Mr. Harris.

Bill No. 226, for the relief of Edna Wall.—Mr. Lawson.

Bill No. 227, for the relief of Thomas Edwin Warburton.—Mr. Lawson.

Bill No. 228, for the relief of Thomas Garfield McCormick.—Mr. White (London).

Bill No. 229, for the relief of Thomas Richardson.—Mr. Lawson.

Bill No. 230, for the relief of Leslie Gregory.—Mr. Black (Yukon).

Bill No. 231, for the relief of Muriel Laburnam Christie.—Mr. Lawson.

Bill No. 232, for the relief of Edith Matilda Epplett.—Mr. Lawson.

Bill No. 233, for the relief of Ruth Victoria Spooner.—Mr. Black (Yukon).

Bill No. 234, for the relief of John Henry Coulter.—Mr. Lawson.

Bill No. 235, for the relief of Gertrude Anne Williams.—Mr. Casselman.

Bill No. 236, for the relief of Leonard George Edward Bond.—Mr. Lawson.

Bill No. 237, for the relief of Grant Johnston.—Mr. Baldwin.

Bill No. 238, for the relief of Burton Orland Boomhower.—Mr. Peck.



Bill No. 239, for the relief of Augusto Tranzzi.—Mr. Lawson.

Bill No. 240, for the relief of Claire Yale Lacourse.—Mr. McPhee.

Bill No. 241, for the relief of Marion Frances Blewett.—Mr. Peck.

Bill No. 243, for the relief of Florence Edna Curliss.—Mr. Young (Toronto Northeast).

Bill No. 245, for the relief of Hilda Walker Baker.—Mr. Young (Toronto Northeast).

Bill No. 246, for the relief of Mary Violet Baxter.—Mr. Lawson.

Bill No. 247 for the relief of Harry Hutcherson Davis.—Mr. Sanderson.

Bill No. 248 for the relief of James Lewis Watterworth.—Mr. Taylor.

Bill No. 249 for the relief of Harvey Mennie Cross.—Mr. Church.

Bill No. 250 for the relief of Muriel Parke Wood.—Mr. Black (Yukon).

Bill No. 251 for the relief of Albert Hull.—Mr. Ryckman.

Bill No. 252 for the relief of Jessie Coles.—Mr. Young (Toronto Northeast).

Bill No. 253 for the relief of Annie Almeda McCormick.—Mr. Ross (Kingston).

Bill No. 254 for the relief of Madeleine Schnarr Nichol.—Mr. Ross (Kingston).

Bill No. 255 for the relief of Phyllis Gertrude Smith.—Mr. Anderson (Toronto High Park).

Bill No. 256 for the relief of Josephine Laura Calder.—Mr. Young (Toronto Northeast).

Bill No. 257 for the relief of Minerva Gray.—Mr. Young (Toronto Northeast).

Bill No. 258 for the relief of Mary Jane McCrossan.—Mr. Harris.

Bill No. 259 for the relief of Robert Bruce Hart.—Mr. Harris.

Bill No. 260 for the relief of Hetmanska Bereta.—Mr. Harris.

Bill No. 261 for the relief of Lillian Alberta Sparling.—Mr. McQuarrie.

Bill No. 262 for the relief of Ebenezer Ward Bussell.—Mr. Anderson (Toronto High Park).

Motion for third readings agreed to on division.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 266 for the relief of Schuyller James Alton.—Mr. Ross (Kingston).

Bill No. 267 for the relief of Mary Eva May Gourley.—Mr. Spence.

Bill No. 268 for the relief of John William James.—Mr. Spence.

Bill No. 269 for the relief of Elsie Aileen Clarke.—Mr. Spence.

Bill No. 270 for the relief of Orwell Bishop Walton.—Mr. Spence.

Bill No. 271 for the relief of Rosie Resnick.—Mr. Spence.

Bill No. 272 for the relief of Jessie Grant.—Mr. Young (Toronto Northeast).

Bill No. 273 for the relief of Ruby Helen Gordon.—Mr. Young (Toronto Northeast).

Bill No. 274 for the relief of Mary Isabelle Batstone.—Mr. Spence.

Bill No. 275 for the relief of Hanorah Margaret Phililemonia Atkinson.—Mr. Spence.

Bill No. 276 for the relief of Margaret Ann Fyfe.—Mr. Young (Toronto Northeast).

Bill No. 277 for the relief of Frederick John Wolfe.—Mr. Geary.

Bill No. 278 for the relief of Elsie Roselan Maguire.—Mr. Lennox.

Bill No. 279 for the relief of Alice Reta Leadbeatter.—Mr. Lawson.

Bill No. 280 for the relief of Gladys Evelyn Sandford.—Mr. Lawson.

Bill No. 281 for the relief of Ethel May Henderson.—Mr. Pettit.

Bill No. 282 for the relief of Fred Townsley.—Mr. Casselman.

Bill No. 283 for the relief of Arthur Worrell Perkins.—Mr. Stinson.

Bill No. 285 for the relief of Walter Anderson Wood.—Mr. Ross (Kingston).

Bill No. 287 for the relief of Clara Delilah Latchford.—Mr. Hepburn.

Bill No. 289 for the relief of Cora Beatrice Silk.—Mr. Geary.

Bill No. 290 for the relief of Joseph Alphonse Lajoie.—Mr. Bell (St. Antoine).

Bill No. 291 for the relief of Gertude Alice Dorothy Lorimer.—Mr. Lawson.

Bill No. 292 for the relief of Margaret Bradley.—Mr. Church.

Bill No. 293 for the relief of Marion Ramsay.—Mr. Young (Toronto Northeast).

Bill No. 294 for the relief of Nettie Maud Dixon.—Mr. Boys.

Bill No. 295 for the relief of Hazel Victoria Watt-Hewson.—Mr. Harris.

Bill No. 296 for the relief of Hubert Allen Frise.—Mr. Lawson.

Bill No. 298 for the relief of Gladys Elizabeth Kirby.—Mr. Ladner.

Bill No. 299 for the relief of Henry Maynard Smillie.—Mr. Hepburn.

Motion for third readings agreed to on division.

## BUSINESS OF THE HOUSE

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): I beg to move that Bill No. 263, respecting the capital stock of the Prudential Trust Company, Limited, and Bill No. 306, to incorporate the Industrial Loan and Finance Corporation, be considered in committee of the whole this day.

Mr. SPEAKER: By leave of the house.

Motion agreed to.

## BOURKE-SETTER PATENT

CONCURRENCE IN SENATE AMENDMENT

Mr. S. W. JACOBS (Cartier) moved the second reading of and concurrence in amendment made by the senate to Bill No. 50, respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter.

The CHAIRMAN: By an amendment made in the Senate the following has been added as section 2 of the bill:

2. If, during the period when the application was forfeited and before the date of publication of the notice of the petitioner's intention to apply to parliament for the passing of this act, any person has acquired any right in respect of the inventions to which that application had reference, then, in the event of the Commissioner of Patents making, as provided for by section one of this act, an order restoring and reviving that application, every such right shall be deemed to have had and to have the same force and effect as if this act had not been passed; but nothing in this section shall be deemed to derogate from the provisions contained in sections seven and eight of the Patent Act or to deprive the applicant of any benefit therefrom.

Mr. STEVENS: I presume, Mr. Chairman, this amendment has been considered by the commissioner of patents and approved by the committee.

Mr. CASGRAIN: It is always done.

Mr. STEVENS: Not always.

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

## BONNEY PATENT

CONCURRENCE IN SENATE AMENDMENT

Mr. S. W. JACOBS (Cartier) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 51, respecting a certain patent application of Harry Barrington Bonney.

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

## INDUSTRIAL LOAN AND FINANCE CORPORATION

The house in committee on Bill No. 306, to incorporate Industrial Loan and Finance Corporation—Mr. Casgrain—Mr. Johnston in the chair.

On section 1—Incorporation.

Mr. ADSHEAD: Where is the bill?

Mr. CASGRAIN: The bill is U4 of the Senate. It was passed yesterday by the Senate. This afternoon it was passed by the committee on banking and commerce and reported.

Sections 2 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

## GOVERNMENT CONTRACTS

On the order:

House in committee on Bill No. 39, respecting government contracts.—Mr. Guérin.

The CHAIRMAN: The select standing committee on industrial and international relations recommends that this bill be not further proceeded with.

Bill dropped.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Sir Eugène Fiset in the chair.

Customs tariff—443. Apparatus designed for cooking or for heating buildings.
(1) For coal or wood: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent;
(2) For gas: British preferential tariff, free: intermediate tariff, 22½ per cent; general tariff, 30 per cent;
(3) For electricity: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent;
(4) For oil: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent;
(5) N.o.p.: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. COTNAM: Had the manufacturers of electrical heating and cooking appliances a hearing before the Tariff Advisory Board, and was the change contained in this item recommended by the tariff board?

Mr. DUNNING: There was a very exhaustive hearing.

Mr. COTNAM: I would like to know the amount of importations last year of appliances and equipment of this kind from the United States, England and Germany.

Mr. DUNNING: You are referring to the electrical item?

Mr. COTNAM: Yes.

Mr. RYCKMAN: I would like the minister to give the importations under items (1), (2), (3), (4), and (5).

[Mr. Adshead.]

Mr. DUNNING: Under one former electrical item the imports in 1929 were valued at $384,000, of which total sum $380,000 came from the United States. The other articles were entered under old item 362, but the total value of importations is not ascertainable; it was a general item.

Mr. RYCKMAN: Item 362 is not contained in the present item 443, if the reference numbers on the present tariff schedule are correct.

Mr. DUNNING: Coal and wood stoves entered to the value of $35,000. They represent only part of that item because the old item included stoves for wood, coal, oil, or spirits, and the total importation of $35,000 came from the United States. Gas stoves entered to the value of $268,000, and all came from the United States.

Mr. RYCKMAN: What about section No. 4, oil?

Mr. DUNNING: There is no importation traceable: previously the oil stoves came in under item 451.

Mr. RYCKMAN: What about the n.o.p item?

Mr. DUNNING: The n.o.p. item previously was contained in a general item, and the imports are not separately traceable.

Mr. RYCKMAN: Is it fair to say that under item 443 there were no appreciable imports from Great Britain?

Mr. DUNNING: I think that is correct.

Mr. RYCKMAN: Or from the British Empire?

Mr. DUNNING: Yes.

Mr. COTNAM: Would the minister tell me whether or not he has received protests from any of the manufacturers of these appliances?

Mr. DUNNING: Yes, I think I had one communication regarding these appliances.

Mr. COTNAM: I wish to enter a protest on behalf of an electrical appliances industry which is located in the constituency I have the honour to represent. At this time I shall read part of a letter from the general manager of the concern in question. It is as follows:

We are manufacturers of electrical heating and cooking appliances and electric cooking ranges. We make what is considered by many one of the most complete lines of this type of equipment on the Canadian market and our

business consists exclusively of the manufacture of these goods. We understand the new budget is intended by its sponsors to help British industries market their products in Canada without retarding or decreasing the sale of Canadian made articles.

In so far as the electric heating and cooking appliance industry is concerned, this is not so. We believe that budget to be a decided detriment to our efforts (instead of a help) to increase our business. It is decidedly a "slap in the face" and it is quite possible that the irreparable damage that was done a few years ago to the Canadian woollen industry, by tariff tinkering, will be repeated—this time the electric heating and cooking appliances industry being the victim.

The following items on the budget affects our industry: Tariff item 443—Apparatus designed for cooking or for heating buildings (3) for electricity. These goods now enter free under the British preferential tariff. Previously there was a duty of 15 per cent. These goods now enjoy reduction of 2½ per cent when entering Canada under both the intermediate and general tariffs, from the rates previously in effect. That is, the protection to the Canadian industry on goods entering from Germany and United States is reduced 2½ per cent. Easily 75 per cent of the goods that we manufacture are affected by this classification. Now what do we get to compensate?

Tariff item 443a. A reduction of 2½ per cent on electric tumbler and rotary switches.

Tariff item 443c. Compensating thermometers a reduction of 5 per cent. These may be imported free from England, but as far as we know there are none made there suitable for our purpose.

The above benefits are more than entirely wiped out by 2½ per cent increase in the duty on strip steel, tariff item 382c, which is now 15 per cent instead of 12½ per cent. This type of steel is universally used for all nickel plated steel parts of our product and has been imported from the United States due to superior quality that can be secured. The British preferential and intermediate tariffs on this item remain as before.

No doubt tariff item 386l is intended to benefit us but it does not. This covers steel sheets, cold rolled blue polished when imported by manufacturers of apparatus designed for cooking or for heating buildings for use in the manufacture of such appliances, and is free when imported from England. This class of steel is not used at all by us nor to any extent by any of our competitors, same being used by the manufacturers of gas, coal and wood ranges. Even if we did use it we doubt if it would be of any assistance, as the increase of uncrating, extra handling, etc., on British steel would offset the saving through the duty on United States manufactured product, as factory to factory carload shipments can be made where no crating is required. The crating of steel for a combination ocean and rail shipment is an expensive item.

I should like to read also an article from Hardware and Metal, a trade journal, under date of May 10, 1930, in which this statement is made:

We believe that the tariff changes mentioned in the recent budget will very seriously retard the Canadian electrical industry, and more particularly those manufacturers of electrical cooking and heating appliances which can now be imported absolutely free of duty under the British preferential tariff. Britain has long been recognized as a country of manufacturing specialists with centuries of experience, having the world markets well cultivated. It is therefore natural that they should enjoy huge production and low costs.

There is absolutely nothing in the budget that begins to offset the hardships that have been placed on this young Canadian industry. It is interesting to note that the manufacturers of large electrical machinery, that is generators, transformers, motors, insulators, electrical apparatus, n.o.p., are not affected except that in the latter classification the general tariff has been actually increased 2½ per cent, which is probably as it should be. We are simply mentioning this to show that there apparently is no rhyme nor reason for this budget in so far as it affects the electrical heating and cooking appliance industry. There are several small manufacturing plants in Canada specializing in this type of equipment.

The King government apparently is not satisfied with destroying practically three-quarters of the Canadian woollen manufacturing industry. This year they are attempting to crucify the electric heating and cooking appliance industry, which we believe deserves a helping hand instead of the reverse.

After the war, while Europe was still in an unsettled condition the Canadian electrical heating and cooking appliance industry, young though it is, actually succeeded in introducing their goods into several overseas markets, more particularly in other British dominions, and they have been putting up a real battle to hold a portion of that market in the face of keener and still keener European competition. To us it is impossible to find any good reason justifying the budget in so far as it affects the electric heating and cooking appliance industry.

This firm in my own constituency, of which I speak, employs about forty or fifty men, and its average payroll runs to between $45,000 and $50,000. That firm was incorporated in 1917, and after a great deal of difficulty succeeded in establishing a fair market for its products. From 1917 to 1924 it paid no dividends, yet they are being subjected under this budget to increased costs of production and increased competition from all British preferred countries, as well as increased competition from the United States and Germany through the reduction in the intermediate and general tariff of 2½ per cent. In view of that statement from men who are engaged in the industry I should like to ask the minister if he will not consider this change in the British preference rate and also in the intermediate and general tariffs.

Some hon. MEMBERS: Carried.

Mr. COTNAM: Will the minister not give my request any consideration at all? Will he not even answer?

Mr. DUNNING: I was waiting to see if there should be further remarks of a similar

character by any hon. gentlemen opposite. I would point out in reference to the electrical stove business that while, as I indicated a short time ago, last year the imports were valued at $380,000, during the same period the Canadian industry exported electrical stoves to the value of $652,000. With respect to those exports they secured a drawback of 99 per cent on the articles which entered into their finished product. In addition, there are a number of concessions by way of reduction in duty which apply to the industry, some of which were referred to in the statement read by my hon. friend, but to which apparently little value is attached. Those which are valuable were not mentioned in the communication. As far as the newspaper article is concerned, it is of a generally argumentative character with respect to the budget, and I shall say nothing about it.

There are reductions, for instance, on electrical switches, rotary switches and relay switches; there are reductions in the tariff on parts for these switches. There are reductions on blue sheets for stove making; and will those people say they do not use blue sheets in the manufacture of their stoves? There are reductions on sheets for enamelling, and everyone knows that a great many electric stoves are enamelled. There are reductions on thermometers which are used on such stoves, and there are reductions on stove urns and chaplets and so on. My hon. friend is asking whether or not I will put the general tariff back to where it was, which means an increase of 2½ per cent. After all the examination that has been given to the subject I do not think his request can be considered.

Mr. COTNAM: Then are we to understand that although we have ten or twelve plants manufacturing these articles; although we have a huge hydro-electric development which requires this sort of equipment, when these industries are getting on their feet the Minister of Finance and the government step in and say, "We are prepared to knock you on the head and put you out of business, or at least we will have a try at it anyway." The Prime Minister travelled across Canada in 1925 and told the people from the Atlantic to the Pacific that no legitimate business would be hurt by any tariff tinkering on the part of his government should he be returned to power. I call upon the Prime Minister, as he sits in his place to-night, to implement the promise he made to the industries of this country.

I have this to say further: In my town we have a woollen industry which was killed by this government in 1922, and in the Ottawa valley eight or ten woollen plants were absolutely closed by the action of this government. Their buildings have been closed down, their machinery has been dismantled and they are out of business to-day due to the tariff tinkering of the present administration. The Prime Minister does not agree with the Minister of Railways (Mr. Crerar), who appears occasionally in this house, in saying that the cotton and textile industry should be crucified because it gives employment to only a couple of thousand people, and that the people of Canada should not be penalized in order to give employment to that number. I want to say to the Minister of Finance and to the Prime Minister that we are very apprehensive over this change which is being made in the tariff. We know what happened to the woollen industry, and here we have a little company trying to get on its feet. It has been operating from 1917 to 1924 without being able to pay a dividend, and it is now to be subjected to competition, not only from Great Britain but also from Germany and the United States. The minister said that I was not reading a news item, but rather a trade journal. That article was taken from a trade journal which deals with the hardware and metal trade, and if the minister will take the trouble to read that publication he will find that they commend the government for what they have done regarding many other items. However, they are absolutely opposed to the changes being made in this particular item.

I cannot protest too strongly on behalf of this industry against the blow they are receiving through the change being made in the tariff. The minister says that I did not mention the compensatory items in the tariff, such as the blue metal sheets used in the trimming of these ranges. Had the minister been listening to the article which I read, he would not have said that. I cited every one of the items which he terms compensatory, but these men claim that those items do not mean a thing to their business. It is time that a halt was called on this sort of thing. We have a political tariff board which knows absolutely nothing about business conditions in this country. They know nothing about the manufacturing of electrical equipment or the inner workings of the woollen industry, and yet after hearing a little evidence they sit down and pass judgment upon these industries. It is time that a halt was called against this tariff tinkering. The minister himself does not understand what effect this tinkering is going to have upon the industries of this country.

Item agreed to.

Customs tariff—443a. Electric tumbler and rotary switches and electric relay switches for automatic oven control, when imported by manufacturers of electric apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of electric apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the minister: British preferential tariff, 7½ per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—443b. Parts, when imported by manufacturers of electric switches for use exclusively in the manufacture of electric tumbler and rotary switches and electric relay switches for automatic oven control, for use on electric apparatus designed for cooking or for heating buildings: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 17½ per cent.

Mr. STEWART (Leeds): What were the importations of this item which is now being made free under the British preference?

Mr. DUNNING: There is no way of tracing the imports of this item. It is a new item, and a new industry is being established in connection with electrical switch manufacturing.

Item agreed to.

Customs tariff—443c. Compensating thermometers or mercury thermometers, of a class or kind not made in Canada, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. ADSHEAD: I would like to know the meaning of the phrase "when imported by manufacturers of apparatus", as well as the phrase "under regulations prescribed by the minister." Why is it that manufacturers and no one else can get these articles in free?

Mr. DUNNING: I am sure the hon. member was listening to the hon. member for North Renfrew (Mr. Cotnam).

Mr. ADSHEAD: Yes, I was.

Mr. DUNNING: These last few items are concessions by way of tariff reductions on certain parts entering into the manufacture of stoves, which the hon. member for North Renfrew was discussing. The thermometers mentioned in this item would be of very little use to anyone but manufacturers, because they are built into the door of the stove.

Mr. ADSHEAD: Why shut them out?

Mr. DUNNING: I am not shutting them out; I am making it easier for them to get in.

Mr. STEWART (Leeds): What were the importations under this item, and where from?

Mr. DUNNING: This is a new item. The articles covered by it previously came in under the item in the old tariff which provided for anything not elsewhere enumerated.

Mr. STEWART (Leeds): There is no way of tracing the imports?

Mr. DUNNING: No.

Item agreed to.

Customs tariff—443d. Stove urns of metal, and dovetails, chaplets and hinge tubes of tin, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. STEWART (Leeds): What were the importations under this item?

Mr. DUNNING: They amounted to $35,000, all from the United States. A reduction is being made in the British preferential tariff.

Item agreed to.

Customs tariff—444. Gas meters, and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—444a. Gas, coal oil or other lighting fixtures and appliances, n.o.p., including tips, burners, collars and galleries; gas mantles and incandescent gas burners; complete parts of all the foregoing: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—444b. Lamp shades, n.o.p., and shade holders: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—445. Electric light fixtures and appliances, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. RYERSON: This is the item I mentioned this afternoon, which affects a very important industry in the city of Brantford. Has the minister received any representations from the manufacturers of these articles?

Mr. DUNNING: We have received a letter from one company.

Mr. RYERSON: This industry is a very important one in the city of Brantford and employs about 150 hands. They manufacture the better grade of electric light fixtures, and their complaint is that with the decrease in the British preference their chief competitor will be the British manufacturer, who is able to obtain his material free of duty while they have to pay a duty of 30 per cent on the bulk of their raw material. I would appeal to the minister to give some consideration to this industry.

Mr. DUNNING: I am afraid I cannot hold out much hope.

Mr. RYCKMAN: Have courage.

Mr. DUNNING: It is expected that some business will be diverted to Great Britain. Last year the importations from the United States under this item amounted to $1,102,000; while only a very small amount came from Great Britain. It was thought that there would be an opportunity to switch some of this business to the old country without injury to Canadian industry. We heard from only one firm which seemed to be apprehensive from this point of view.

Mr. RYERSON: This company manufactures a very high class article, and at the present time their chief competitors are the English manufacturers. There is no question that this tariff change will seriously menace their business.

Mr. DUNNING: What particular article do they manufacture?

Mr. RYERSON: Electric light fixtures.

Mr. DUNNING: Shades and that sort of thing.

Mr. RYERSON: Shades, but they are under another item; they are not affected. It is the electric light fixtures that are affected. They manufacture a number of different lines. I think the minister has a letter from these people and I would appeal to him for some consideration in the matter.

Item agreed to.

Customs tariff—445a. Electric head, side and tail lights; electric torches or flashlights: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

[Mr. Dunning.]

Customs tariff—445b. Electric arc lamps and incandescent electric light lamps: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Mr. DUNNING: There is an error in leaving out the letters "n.o.p.," because of a later item. I would ask that the item be amended by adding the letters "n.o.p."

Amendment agreed to.

Item as amended agreed to.

Customs tariff—445c. Electric telegraph or telephone apparatus and complete parts thereof: British pereferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445d. Electric wireless or radio apparatus and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445e. Electric and galvanic batteries, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445f. Electric dynamos or generators and transformers, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445g. Electric motors, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. STEWART (Leeds): Could the minister give us some idea of the imports? I presume several of these items we have just passed are grouped, because they are under the same item in the old tariff. Could he give us the imports under items 435 and 453 of the old tariff, which seem to cover all these items?

Mr. DUNNING: I have the imports separated under each of these items. The hon. member means starting from the beginning of item 445?

Mr. STEWART (Leeds): Yes. I assumed the minister had them under the old item, and that is why I waited until we got further down the list before asking for them.

Mr. DUNNING: Under item 445a, formerly item 435, the imports—that is for the whole of item 435—were valued in 1929 at $1,644,000, of which $1,400,000 worth came from the United States.

Under item 445b, electric lamps to the value of $29,000 were imported, all from the United States; carbon lamps, to the value of $56,000, of which $40,000 came from Japan; metal lamps, to the value of $134,000, of which $69,000 came from the United States and $27,000 from Japan.

Under item 445c, electric telegraph apparatus, $493,000 worth was imported, of which $437,000 came from the United States. As regards telephone apparatus, $1,854,000 was imported of which $1,006,000 came from the United States and the balance from Great Britain.

Under item 445d, electric wireless, radio tubes, the imports were $246,000, of which $220,000 came from the United States. As regards wireless and radio apparatus, n.o.p., $5,692,000 worth was imported, of which $5,601,000 came from the United States.

Under item 445e, electric primary batteries, the imports amounted to $90,000, of which $86,000 came from the United States. As regards storage batteries, n.o.p., the imports were $631,000, of which $319,000 came from Great Britain and $312,000 from the United States.

Under item 445f, electric dynamos and generators, the imports were $1,557,000, of which $1,250,000 came from the United States. As regards transformers, the imports were $482,000, of which $447,000 came from the United States.

Under item 445g, electric motors, n.o.p., the imports were $4,306,000, of which $3,500,000 came from the United States.

Under item 445h, the imports of insulators, porcelain, amounted to $537,000, of which $435,000 came from the United States. As regards other insulators, the imports were $432,000, of which $416,000 came from the United States. I think that is the end of that group.

Mr. RYCKMAN: Why is it represented that there is a change in duty on the group of which the minister has just given the imports? They seem to be listed across the page at exactly the same rates.

Mr. DUNNING: There is no representation of a change where a change does not occur.

Mr. RYCKMAN: Then what change did occur?

Mr. DUNNING: The classification was changed by being split up so that we know under the different items what the exports and imports are.

Mr. STEWART (Leeds): The reduction in the British preferential seems to be very trifling. In some cases it is from 20 per cent to 15 per cent, and in others there is no change at all.

Mr. DUNNING: My hon. friend surely heard his colleague complaining that the change would be sufficient to ruin the industry. We cannot be criticised both ways.

Mr. STEWART (Leeds): This is another industry. I was just wondering why there was not a bigger reduction in the British preference. With the present reduction, is there any hope of transferring any of this vast volume of business to Great Britain?

Mr. DUNNING: We are hoping so.

Mr. STEWART (Leeds): On an increase of 5 per cent in the British preference?

Mr. DUNNING: Yes.

Mr. FRASER: The minister is not decreasing the British preference in item 445c.

Mr. DUNNING: We are discussing item 445g. The rate is the same in that case.

Mr. FRASER: In the first three items: 445; 445a and 445b, the minister is decreasing the British preference.

Mr. DUNNING: No, we are decreasing the rate, and thus increasing the British preference.

Mr. FRASER: The British preference before was 20 per cent and and now it is 15 per cent.

Mr. DUNNING: That is the rate. The degree of the preference is the difference between the British preferential rate and the general rate. By decreasing the British preferential rate, you increase the preference.

Mr. STEWART (Leeds): Does the minister, by that trifling reduction, hope to transfer this trade?

Mr. DUNNING: Some Canadian industries say that it will ruin them. Some United States industries are apprehensive that the British people will get the business the United States are now enjoying. The volume of trade is large and the British manufacturers are very much interested in capturing it.

Mr. ADSHEAD: If the volume of business going to the United States is so large, will it not be in line with the minister's policy to make the British preferential rate free?

Mr. DUNNING: Each case must be considered on its merits in relation to Canadian industry as a whole. That is the only answer.

Mr. ADSHEAD: There are about fourteen items, all alike.

Item agreed to.

Customs tariff—445h. Electric insulators of all kinds, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445i. Electric sad irons and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—445j. Electric apparatus, of a class or kind not made in Canada, n.o.p., and complete parts thereof: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—445k. Electric apparatus, n.o.p., and complete parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. FRASER: This is the last of the electric apparatus items. What is the total importation of electric apparatus, and what amount came from Great Britain and what amount from the United States?

Mr. DUNNING: I shall have to look that up. It will probably take some time to do so, because under the old schedule electric apparatus came in under many designations, not because it was electrical, but because when the old tariff was devised, the developments in electricity were not what they are to-day. It would be very difficult to give accurate figures, but as an illustration I can give some of the imports under the n.o.p. item.

Mr. FRASER: That would be a large percentage of the importations.

Mr. DUNNING: Of switches and switchboards we imported, in round figures, $1,600,000, of which $1,500,000 came from the United States; spark plugs, and so forth, $1,100,000, of which $1,000,000 came from the United States; self-contained lighting outfits, $92,000, of which $89,000 came from the United States; socket outlets and receptacles, $352,000, of which $348,000 come from the United States; rheostat controllers, and so forth, $756,000, of which $700,000 came from the United States; electric meters, $408,000, of which $365,000 came from the United States; electric fuses and fuse plugs, $293,000, all from the United States; electric fans $137,000, of which $135,000 came from the United States. In addition, a very great aggregation of small items of electrical apparatus, n.o.p., came in to the amount of $4,800,000, of which $4,600,000 came from the United States. We are proposing to give an advantage to Great Britain in connection with all of this apparatus which is not made in Canada, by making it free under the British preference, as against 20 per cent under the general tariff. Wherever these goods are made in Canada, the spread in favour of Great Britain is increased by an increase in the United States duty.

Item agreed to.

Customs tariff—446. Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, of a class or kind not made in Canada, n.o.p.: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. STEWART (Leeds): What are the imports under this item?

Mr. DUNNING: This is what we call the basket item for iron and steel, which means that everything that has not been specified in the schedules and cannot be named will come in under this item. All the imports cannot be traced, of course, but here are some of the principal ones: wire bale ties, $10,000, of which $7,000 came from the United States; locks of all kinds, $567,000, of which $493,000 came from the United States; builders' hardware, $805,000, of which $702,000 came from the United States; parts of bicycles, $92,000, of which $64,000 came from Great Britain; drums, cylinders, barrels, etc., $1,461,000, of which $1,185,000 came from the United States; horse shoes, mule shoes and ox shoes, $20,000, all from the United States; hatters' irons and tailors' irons, $2,000, of which $1,500 came from the United States; valves n.o.p., $920,000, of which $850,000 came from the United States. Then there is a whole range of general items amounting to $14,000,000 in round figures, of which $12,000,000 came from the United States. Iron and steel n.o.p. is a large item, and what is proposed is to make these articles free from

Great Britain, with a 20 per cent general tariff against the United States; and when they are made in Canada, 15 per cent British preference and 30 per cent under the general tariff. British industry is very greatly interested in this item.

Item agreed to.

Customs tariff—446a. Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—447. Water pumps, hand or power, for domestic purposes only: British preferential tariff, free; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. STEWART (Leeds): What are the imports?

Mr. DUNNING: We imported $572,000 of ordinary domestic pumps, of which $540,000 came from the United States. It is proposed to make this article free under the British preference.

Item agreed to.

Customs tariff—448. Steel balls, for use only on bearings of machinery and vehicles: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—449. Steel wool: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—450. Skates of all kinds, roller or other, and parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. RYCKMAN: What were the importations of skates from the British Empire?

Mr. DUNNING: Our imports all told were $50,000, nearly all from the United States. I have not the United Kingdom total, but it must be quite small.

Mr. QUINN: Who requested a reduction in the duty on skates of all kinds? The old duties were 22½, 32½ and 35 per cent respectively, and these have been reduced to 15, 25 and 30 per cent respectively.

Mr. DUNNING: The total imports, as I said, were $50,000. Canada exported skates to a value of $111,000, of which $95,000 went to the United States. We are exporting a much larger volume than we import. The old general tariff was 35 per cent. In view of the fact that the industry gets a drawback on its materials, it is considered that a duty of 30 per cent is certainly adequate.

Mr. SHORT: If we are building up a nice little industry like this—the minister says that we are exporting more to the United States than we import from that country—why kill it? Does the minister not want these exports?

Mr. DUNNING: The industry still has a 30 per cent duty.

Mr. SHORT: You are reducing the duties 2½, 7½ and 5 per cent respectively. If the business is doing very well under the old rates, why change them?

Mr. YOUNG (Saskatoon): The duties are high enough now. The industry should do well under the new rates.

Mr. QUINN: It is doing well, but why try to kill it? This is an industry giving employment to our people. Why not let it continue? I am not protesting for the sake of protesting. I have interrupted the minister very little since these tariff schedules have been under discussion, but there is an industry in the town of Dartmouth, the Starr Manufacturing Company, which the Minister of National Defence knows well, and I would refer the Minister of Finance to him if he were here. It is a splendid industry. The Starr Manufacturing Company makes the finest ice skates in the world.

Mr. DUNNING: And exports them to ten countries.

Mr. QUINN: Well, is not the minister proud of that?

Mr. DUNNING: Of course I am.

Mr. QUINN: Should not every member on that side of the house be proud of it?

Some hon. MEMBERS: We are.

Mr. QUINN: Then I protest against the reduction. What is the matter with the member for Saskatoon (Mr. Young)? Doesn't he like to see industry in the eastern part of Canada?

Mr. YOUNG (Saskatoon): Any industry that can compete with ten countries on an even basis is doing pretty well. I know it; it is a splendid industry.

Mr. QUINN: Then why take off the protection they are enjoying? They are not paying excessive dividends; they are just getting along and employing considerable labour.

Mr. EVANS: Would the hon. member permit a question there?

Mr. QUINN: No, you are a free trader. I heard the member for Rosetown (Mr. Evans) the other night asking if the fruit and vegetable products of the West Indies could not be sent by a shorter route, and suggesting that they be sent through the port of Portland in preference to our maritime ports. I consider that unpatriotic and un-Canadian. I protest against this reduction in the tariff on skates.

Mr. DUNNING: It is still 30 per cent.

Mr. EVANS: This is another case where the manufacturer is carrying on very nicely. He is exporting his goods at the expense of the Canadian consumer by charging them a price which will give him a profit on the whole of his output.

Mr. QUINN: No Canadians ever kicked about the price they paid for skates.

An hon. MEMBER: Yes, they have.

Mr. RYCKMAN: I desire to say for the benefit of members from the west, and especially for the benefit of the member for Rosetown, that skates with this protection are selling cheaper in Canada than they are in the United States.

Mr. YOUNG (Weyburn): Why do you need protection, then?

Mr. SHORT: They have built up their industry under protection. Why don't you let them alone? At whose request was this duty reduced?

Mr. DUNNING: I do not know.

Mr. SHORT: Was it brought before the tariff board? Was any objection made by Mr. Deachman and his friends?

Item agreed to.

Customs tariff—451. Buckles, clasps, eyelets, hooks and eyes, dome, snap, hookless or other fasteners, of iron, steel, brass or other metal, coated or not, n.o.p. (not being jewellery): British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—451a. Needles, of any material or kind, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

[Mr. Quinn.]

Customs tariff—451b. Pins manufactured from wire of any metal, n.o.p. British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—451c. Corset clasps, busks, blanks, steels, and covered corset wires, cut to length, tipped or untipped; reed, rattan or horn, covered: British preferential tariff, 15 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—451d. Metal glove fasteners, papier mache shoe buttons, shoe eyelets, corset eyelets, shoe eyelet hooks, shoe lace wire fasteners: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—452. Metal tips, studs and eyes, when imported by manufacturers of corset clasps and corset wires for use exclusively in the manufacture of corset clasps and corset wires, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—453. Metal parts when imported by manufacturers of covered buttons for use exclusively in the manufacture of covered buttons, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. STEWART (Leeds): What are the imports, and from what countries do they come?

Mr. DUNNING: The imports are $30,000, all from the United States.

Item agreed to.

Customs tariff—454. Frames not more than ten inches in width, clasps and fasteners, when imported by manufacturers of purses, chatelaine bags or reticules for use exclusively in the manufacture of purses, chatelaine bags or reticules, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Mr. STEWART (Leeds): This item is free under the British preference. What were the imports?

Mr. DUNNING: The imports were $147,000, of which $141,000 came from the United States.

Item agreed to.

Customs tariff—455. Ribs of brass, iron or steel, runners, rings, caps, notches, ferrules, mounts and sticks or canes in the rough, or not further manufactured than cut into lengths, suitable for umbrella, parasol, sunshade or walking sticks, when imported by manufacturers of umbrellas, parasols and sunshades for

use exclusively in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. STEWART (Leeds): What were the imports of this item?

Mr. DUNNING: We imported $203,000, of which $116,000 came from the United States. That business will probably go to Great Britain in the future.

Item agreed to.

Customs tariff—456. Wire of brass, zinc, iron or steel, screwed, twisted, flattened or corrugated, for use exclusively in connection with nailing machines for the manufacture of boots and shoes, in boot and shoe factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—457. Tubs of metal, coated or not; metal frames for wringers, with or without metal fittings, coated or not; nickel plated copper sheets; all when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. DUNNING: We heard this afternoon about the washing machine people, and I want to be very careful not to impose any hardship upon them. It will be noticed that there is quite a concession here by way of a reduction on the materials which enter into washing machines. It has been represented to me that a slight change is desirable. In the amendment the words "metal frames for wringers" are deleted, as these are included in the metal parts now covered by the item itself. So far as copper sheets are concerned, one manufacturer of washing machines advises me that he does his own nickel plating; therefore he desires to have the same right to bring in plain copper sheets as the other manufacturers have to bring in the nickel plated sheets. Another washing machine manufacturer advises me that in the cheaper type of washing machines zinc sheets are used; so I desire to insert that to come in at the low rate; also ball bearings. The amendment also provides for electric motors and gasoline engines of less than one horsepower for washing machine purposes. The amendment, Mr. Chairman, will read as follows:

Tubs of metal, coated or not; copper sheets, plated or not; zinc sheets, plated; ball bearings; gasoline engines and electric motors of less than one horse-power; all the foregoing when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the minister.

Amendment agreed to.

Mr. ADSHEAD: What is the tariff on washing machines?

Mr. DUNNING: That was up this afternoon. There is a reduction.

Mr. STEWART (Leeds): What were the imports under the first item?

Mr. DUNNING: Formerly they entered according to the material under a variety of items impossible to trace. It is a new item entirely.

Mr. WHITE (London): Is not this another case where our primary manufacturers will suffer for the sake of putting washing machines on a lower schedule? Surely some of the manufacturers who make these articles will suffer.

Mr. DUNNING: There have been no objections with the single exception of that as to tubs of metal, coated or not. That is the only objection I have heard on the whole list.

Mr. WHITE (London): No attention is being paid to their objection?

Mr. DUNNING: Having regard to the situation of the industry in question, I think this concession to the washing machine people is a fair one.

Item agreed to.

Customs tariff—457a. Materials or articles of metal, of a class or kind not made in Canada, when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. CAMPBELL: Has the minister had any representation made to him for a slight amendment to this item? I understand that the Canadian Iron and Steel Company of Toronto asks that after the word "wringers" the word "clothes mangles or ironing machines" be inserted.

Mr. DUNNING: I never heard of any such application.

Mr. CAMPBELL: I have a copy of a letter before me dated May 23 which was

addressed by a customs broker in the city to the tariff commissioner. The date must be wrong, the letter having been in my hands for the last two days.

Mr. DUNNING: I do not remember seeing anything of the kind.

Mr. CAMPBELL: I will send this over to the minister. It is suggested that the item should read:

Materials or articles of metal, of a class or kind not made in Canada, when imported by manufacturers of washing machines, wringers, clothes mangles or ironing machines for use exclusively in the manufacture of washing machines, wringers, clothes mangles or ironing machines, in their own factories, under regulations prescribed by the minister.

Mr. DUNNING: I am afraid it is rather difficult to estimate offhand the effect of such a request.

Mr. CAMPBELL: Perhaps the minister could let the item stand.

Mr. DUNNING: It must be borne in mind that these concessions to the people manufacturing washing machines and wringers are related to the rate of duty now imposed with respect to the finished article. There is a material reduction, as my hon. friend may remember, under both washing machines and wringers, and offhand I am not at all clear what the effect of the request may be. I never saw this letter before. I notice it is dated to-day.

Mr. CAMPBELL: That must be a mistake.

Mr. DUNNING: I do not think, without more inquiry than time will permit, that I could undertake to make such a change. It affects an entirely different group of articles.

Mr. CAMPBELL: I quite understand that, but I would ask the minister to let the item stand until to-morrow.

Mr. DUNNING: It is pretty difficult.

Mr. CAMPBELL: It looks to me like a very minor change.

Mr. DUNNING: Many of these things that appear of minor significance have far-reaching effects, and it takes time to investigate. It is hardly fair for a person to write a letter on May 23 and expect consideration to be given immediately to a matter which requires detailed inquiry. For instance, can my hon. friend tell me what duty is carried by clothes mangles and ironing machines?

[Mr. Campbell.]

Mr. CAMPBELL: I have not the least idea. I would like however to be fair to the company, and I think the minister should let the matter stand until his officers have had a chance to investigate.

Mr. DUNNING: I do not like to refuse to let an item stand, although I have quite a few standing at the present time.

Mr. CAMPBELL: I am only asking the minister to have his officers consider the matter. I think in fairness to the people concerned he should let it stand until to-morrow.

Mr. DUNNING: I think I can answer the question now. As far as I can learn, under the existing tariff the machinery in question carries a rate of 30 per cent in one case and 27½ per cent in the other. That being the case I am sure he would not want this concession to apply to such manufactures.

Mr. STEWART (Leeds): What were the imports under this item?

Mr. DUNNING: It is a new item entirely. Formerly it was entered under three or four component material items. The entries cannot be separately traced.

Item agreed to.

Customs tariff—458. Materials, including all parts, when imported by manufacturers of traction engines for use exclusively in the manufacture of traction engines, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. SIMPSON: This item formerly was under a 99 per cent drawback. Will the minister tell us what the imports were under this item?

Mr. DUNNING: This is a new item to provide duty free materials and parts for the manufacture of traction engines. I gave the ratings on tractors some time ago. As hon. gentlemen have noticed, tractors under item 409m are free and tractors under 409n are free under the British preferential tariff, 10 per cent under the intermediate tariff and 15 per cent under the general tariff. Under item 428 they are free under the British preferential tariff, 10 per cent under the intermediate tariff, and 15 per cent under the general tariff. These are very low rates of duty. Some interest was displayed in the possibility that if materials and parts for tractor engines were made free an industry would be started in Canada. In view of that fact a 99 per cent drawback provision is at present in effect. On a large part of the material it was deemed wise to include parts which are not made in Canada in order to stimulate the commencement of an industry.

Mr. SIMPSON: Have you the value of the imports?

Mr. DUNNING: There were none; that is the point.

Mr. WHITE (London): It would appear that the minister is interested in the establishment of an assembly plant rather than the establishment of a manufacturing concern.

Mr. DUNNING: In many cases industries have been built up by first establishing assembly plants and later developing the processes of manufacture. That procedure has developed in Canada owing to the genius of some men at whom I am now looking.

Item agreed to.

Customs tariff—459. Materials, including all parts, when imported by manufacturers of street or road rollers for use exclusively in the manufacture of street or road rollers, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 10 per cent.

Mr. WHITE (London): Will the minister tell me what difference it makes in the general rate? The old rate was $7 a ton, with a 30 per cent drawback.

Mr. DUNNING: The Ontario Road builders' Association, in presenting their case before the tariff board, expressed the desire to encourage the construction or road rollers in Canada. In their general application for reductions on construction machinery they asked that the road rollers item remain as it was. It is proposed to assist by giving the makers of road rollers low rate parts in lieu of their former remission under the drawback which was not used.

Mr. WHITE (London): It would appear to me that the minister is taking the same action in this item as was taken in regard to implements in the year 1924. The duties on materials are being reduced, and the reduction goes back to the maker of the primary material. I figure that we had a duty of $4.90 considering that 30 per cent drawback on $7 a ton. The general tariff is now 10 per cent, which at the price of $1.85 in Pittsburgh brings it back to a duty of $3.75 a ton, which means that the makers of steel are losing to the extent of $1.20 per ton in duty. When it comes to the British preferential tariff, the loss is about $3 a ton. It goes back, as it did before in the case of agricultural implements, to the makers of iron and steel. And the minister says he is trying to protect the primary makers of material.

Mr. SIMPSON: What did the imports under that item amount to?

Mr. DUNNING: There were none under the old drawback; nobody used it. It was not effective, and I am trying to make it effective.

Item agreed to.

Customs tariff—460. Materials to be used in Canada for the construction of bridges and tunnels crossing the boundary between the United States and Canada, when similar materials are admitted free under similar circumstances into the United States, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—461. Safes, doors for safes, and vaults; scales, balances, weighing beams and strength testing machines of all kinds, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—462. Philosophical, photographic, mathematical and optical instruments, n.o.p.; speedometers, cyclometers and pedometers, and tape lines of any material, n.o.p.; complete parts of all the foregoing: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—463. Magic lanterns and slides therefor: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—464. Steel dies, of a class or kind not made in Canada, valued at not less than $1,000 each, for use exclusively in stamping metal sheets or metal plates: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Provided that such dies shall be exported from Canada under customs supervision within three months from the date of import entry.

Item agreed to.

Customs tariff—465. Signs of any material other than paper, framed or not; letters and numerals of any material other than paper: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—466. Iron sand or globules of iron shot, and dry putty, for use in polishing glass or granite or for sawing stone: British preferential tariff, free; intermediate tariff. free; general tariff, free.

Item agreed to.

Customs tariff—467. Window shade or blind rollers: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—468. Bird, squirrel and rat cages, of wire, and metal parts thereof: British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—469. Machine card clothing: British preferential tariff, 15 per cent; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—470. Patterns of iron, steel, brass or other metal, not being models: British preferential tariff, 20 per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—471. Belt pulleys of all kinds, for power transmission: British preferential tariff, 15 per cent;; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Item agreed to.

Customs tariff—472. Plates engraved on wood, steel or other metal and transfers taken from the same, n.o.p.; engravers' plates of steel, or other metal, polished or otherwise processed, for engraving thereon: British preferential tariff, 10 per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—473. Plates for printing in two or more colours, including electrotypes, nickeltypes and all engravings on steel or other metal, for use exclusively in printing: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—474. Stereotypes, electrotypes and celluloids, for almanacs, calendars, illustrated pamphlets, newspaper or other advertisements, n.o.p.; and matrices or copper shells for such stereotypes, electrotypes and celluloids, per square inch: British preferential tariff, 1 cent; intermediate tariff, 1¼ cents; general tariff, 1½ cents.

Item agreed to.

Customs tariff—475. Stereotypes, electrotypes and celluloids of books, and bases and matrices and copper shells for the same, whether composed wholly or in part of metal or celluloid: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. QUINN: That is the item I asked the minister about at the beginning of the consideration of these items. The minister has a letter from a Toronto firm asking him to add to item 475 aluminum and zinc music plates, and electrotypes for music. At the present time no music plates are manufactured in Canada, and this is intended to encourage the printing of music.

Mr. DUNNING: My hon. friend will notice that the present item is exactly the same as under the old tariff; that is the reason it was not amended. The matter of printed material and everything connected with it is still before the tariff board. The hearings are incomplete, and printed music is included in the items to be investigated.

Mr. QUINN: I am not referring to printed music.

Mr. DUNNING: No, but when the board deals with printed music it has to deal with everything that enters into the production of it. The whole matter is still before the board, and I prefer not to take action in connection with any particular part of it.

Item agreed to.

Customs tariff—475a. Stereotypes, electrotypes, celluloids and bases for the same, composed wholly or in part of metal or celluloid, n.o.p., and copper shells for such stereotypes, electrotypes and celluloids, per square inch: British preferential tariff, ⅛ cent; intermediate tariff, ⅛ cent; general tariff, ⅛ cent.

Item agreed to.

Customs tariff—475b. Matrices for stereotypes, electrotypes and celluloids described in item 475a, per square inch: British preferential tariff, ½ cent; intermediate tariff, ½ cent; general tariff, ½ cent.

Item agreed to.

Customs tariff—476. Surgical and dental instruments of any material; surgical needles; X-ray apparatus; surgical operating tables for use in hospitals; microscopes valued at not less than $50 each by retail; and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—476a. Glassware and other scientific apparatus for laboratory work in public hospitals; apparatus for sterilizing purposes, including bedpan washers and sterilizers but not including washing or laundry machines; all when imported in good faith for the use and by the order of any public hospital: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: A number of the medical men in the house who are interested in hospitals have pointed out to me that as this item is worded at present it would have the effect of compelling a hospital in every case to be the importer as a hospital, and I am advised

that this would cause very great inconvenience. I am informed that many hospitals desire to secure these various supplies from stocks which they wish to have carried by some merchant or dealer in the city in which the hospital is located. Under the wording of the item as it is in the printed list it would be impossible for that to be done and at the same time permit the hospitals to get the benefit of the concession here given. I desire to suggest a change, and if hon. members will follow the item they will see that the change is very slight; it has the effect of correcting that disability of which the hospital association and the medical fraternity complain. The item would read as follows:

Glassware and other scientific apparatus for laboratory work in public hospitals; apparatus for sterilizing purposes, including bedpan washers and sterilizers but not including washing or laundry machines; all for the use of any public hospital, under regulations prescribed by the minister.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—476b. Surgical suction apparatus including motive power; surgical catgut, chloroform, ethyl chloride, canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, when imported in good faith for the use and by the order of any hospital: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: The same change requires to be made in this item, which will read as follows:

Surgical suction apparatus including motive power; surgical catgut; chloroform; ethyl chloride; canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, or complete parts thereof, for the use of any public hospital, under regulations prescribed by the minister.

Of course the point will be apparent to the committee.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—477. Metallic tubes, glass caps, shells, containers and capillary tubes, rubber bulbs, boxes and corks, when imported by manufacturers of vaccine points for use exclusively in the manufacture of vaccine points, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.



Customs tariff—478. Artificial limbs, and complete parts thereof: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. QUINN: There is no change; what is the idea of inserting the item?

Mr. DUNNING: It is just a matter of numbering.

Item agreed to.

Customs tariff—479. Materials and articles, when imported by manufacturers of artificial limbs for use exclusively in the manufacture of artificial limbs, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—480. Crutches or specially constructed staffs for cripples: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—481. Specially constructed boot or appliance made to order for a person having a crippled or deformed foot or ankle: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—482. Ear telephone sets and similar appliances, including complete parts and batteries therefor, for use by deaf persons, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: This is a new item, to provide for apparatus for the deaf.

Item agreed to.

Customs tariff—494. Manufactures of cork-wood or cork bark, n.o.p., including strips, shives, shells and washers of cork: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—494a. Cork slabs, boards, planks and tiles produced from cork waste or granulated or ground cork: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—498. Cane, reed or rattan, not further manufactured than split, n.o.p.: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—502b. Bicycle rim strips of maple not further manufactured than bent to shape and jointed: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Mr. DUNNING: There should be an item 502c, which appears to have been dropped. It reads as follows:

Customs tariff—502c. Wood handles or stems for handles, not further manufactured than turned, when imported by manufacturers of goods enumerated in tariff items 409a, 409c, 409e, 409f, 409g, 409i, 409j, 409o, 431 and 431a for use exclusively in the manufacture of goods enumerated in said items: British preferential tariff, free; intermediate tariff, free; general tariff, free.

The only purpose of this item is to have the new numbers replace the numbers appearing now in the tariff.

Item agreed to.

Customs tariff—502d. Gun stocks and forends for shot guns, of walnut in the rough, not further manufactured than bored and channelled, when imported by manufacturers of shot guns for use only in the manufacture of shot guns in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—506a. Clothes pins, with springs, per gross: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 10 cents.

Mr. SHORT: Would the minister give us the imports under this item?

Mr. DUNNING: They are untraceable, because they came in under the general item, n.o.p.

Mr. SHORT: Have you any exports of these?

Mr. DUNNING: I do not think they are traceable. Our production amounted to $132,000.

Mr. SHORT: This does not affect the ordinary clothes pin; this is a particular type?

Mr. DUNNING: It is the clothes pin with the metal spring.

Mr. SHORT: Are they not manufactured in this country?

Mr. DUNNING: Yes.

Mr. SHORT: There is a considerable reduction in the intermediate and general tariff; why is that?

Mr. DUNNING: No, it is a specific duty. My hon. friend misunderstands it; this is the specific duty per gross in future.

Mr. SHORT: What is the difference?

Mr. ESLING: I should like to ask the minister what is the difference between the 10 cents per gross and the 25 per cent ad valorem?



Mr. DUNNING: They are worth in the neighbourhood of 30 to 35 cents a gross.

Mr. ESLING: In my district we have a company which was incorporated and which put in the necessary machinery some time ago for the manufacture of this article. These pins have been dumped into the country from Sweden, and the business of that concern has been very seriously injured. I brought this matter up in the house two years ago, and these pins have been coming into the country in such quantities that the plant practically had to cease operations. Now we are making it even worse, it seems to me.

Mr. DUNNING: No, the reverse is the case.

Mr. ESLING: I asked the minister what was the difference?

Mr. DUNNING: The effect is an increase. The people concerned came before the board and represented just the condition to which my hon. friend has referred and asked for a duty per gross. They said plainly that the general wood, n.o.p., item bore no relation at all to their product, which contains a steel spring and two wooden parts. As the result of the hearing I thought their representations were well founded and their request was granted.

Mr. ESLING: May I ask if there were any importations from Great Britain?

Mr. DUNNING: As I explained, we cannot trace the importations because previously there was no item in the tariff covering this article; it came in under miscellaneous products of wood, and one cannot trace the imports.

Mr. CANTLEY: May I ask the minister why he is dealing with this article in this way? We have been exporting a comparatively large quantity of these pins to the old country, but now he has changed the whole schedule, as I understand it, and made them free from Great Britain. Are there any importations of these pins from Great Britain?

Mr. DUNNING: There is no means of discovering that. The change is made at the request of the manufacturers of clothes pins.

Mr. SHORT: It is an increase instead of a decrease.

Mr. CANTLEY: It does not sound reasonable for a manufacturer to ask you to give free entry to a competitor.

Mr. DUNNING: It may not sound reasonable, but there are some reasonable people in the world.

Mr. CANTLEY: I am talking about what is unreasonable.

Miss MACPHAIL: Even among manufacturers.

Mr. ESLING: Does the minister think an increase of 2 cents per gross is sufficient to protect the local industry?

Mr. DUNNING: The manufacturers are satisfied. Would my hon. friend like me to drop the item?

Mr. ESLING: No, I would like to see the minister increase the duty.

Item agreed to.

Customs tariff—513. Umbrella, parasol and sunshade sticks or handles, n.o.p.: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—516. Blinds of wood, metal or other material, not textile or paper: British preferential tariff, free; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

Item agreed to.

Customs tariff—535a. Grasses, seawood, mosses and vegetable fibres other than cotton, n.o.p.: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 17½ per cent.

Mr. QUINN: Should not "seawood" read "seaweed"?

Mr. DUNNING: Yes. This item bears a relationship to item 200, which was allowed to stand a few days ago and to which I think we will have to refer in order to discuss intelligently the matter involved. This item covers grasses, seaweed, mosses and vegetable fibres other than cotton, while item 200 covers pulp of wood, of straw or of any other vegetable fibre. The two items interlock and relate themselves to a wide variety of commodities in which a number of members have displayed interest and which have been discussed before the tariff board. The question revolves around a commodity known as bagasse of sugar cane, which is apparently a waste by-product of the cane and is somewhat competitive with the waste product of our lumbering and pulp industry. Considerable experimental and development work has been done in this connection during the past few years, and representations have been made by the lumbering industry and several of the provincial governments relative to this matter After reviewing the whole question, I am inclined to think that this is the item under which it might be provided for, and I propose to add to this item "bagasse of sugar cane, whether or not dried, cleaned, cut to size, ground or sifted", and leave the rates as they are. That would allow bagasse of sugar cane to come in free under the British preference, covering in this case the West Indies, and the rates would be 17½ per cent under both the intermediate and the general tariffs.

Mr. WHITE (London): Does the minister intend to allow this wastage of the sugar cane to come in free from the West Indies to compete with the wastage from our own pulp mills?

Mr. DUNNING: Apparently there is no objection to its being permitted to come in free from the West Indies.

Amendment agreed to.

Item as amended agreed to.

Mr. DUNNING: I would move that we revert to item 200.

Motion agreed to.

Customs tariff—200. Pulp of wood, of straw or of any other vegetable fibre: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—535e. Vegetable fibres other than cotton, when imported by manufacturers of brushes for use exclusively in the manufacture of brushes, in their own factories: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 7½ per cent.

Mr. CHAPLIN: Will the minister explain this item?

Mr. DUNNING: This is a new item to provide low rates on fibres other than cotton for the manufacture of brushes. Prior to 1928 the manufacturers of brushes obtained their raw material under the old item 539. Apparently these fibres are collected from the trees by natives and owing to a great variety in the shading they are all dipped in a form of dye or stain to give them a uniform colouring. The present item 535 reads in part: "vegetable fibres other than cotton, not coloured." The manufacturers of brushes were not able to take advantage of free entry for their raw material and had to import under 535a, as vegetable fibres other than cotton, n.o.p. This change is made to rectify a situation which was rather unfair to the manufacturer.

Mr. CHAPLIN: They were paying a higher duty because of the colouring matter used?

Mr. DUNNING: Yes.

Mr. CHAPLIN: Some of the fibres are coloured in their natural state?

Mr. DUNNING: Yes.

Mr. CHAPLIN: And the natives colour other fibres in order to make them all look alike?

Mr. DUNNING: That is it.

Mr. CHAPLIN: Why is a duty imposed against this commodity at all; is it just for revenue purposes?

Mr. DUNNING: It was an n.o.p item, and it would not be well to eliminate that.

Mr. CHAPLIN: There is no n.o.p. here.

Mr. DUNNING: The other item is the n.o.p item, and that is the only one which is dutiable.

Mr. CHAPLIN: This item is dutiable.

Mr. DUNNING: It is free under the British preference.

Mr. CHAPLIN: It is intended as a revenue producing tariff.

Mr. DUNNING: I have in mind the vegetable fibres coming in from different parts of the British Empire.

Mr. BELL (St. John-Albert): Are there no vegetable fibres produced in Canada? There is a brush factory in my constituency and they inform me that the cost of the fibres represents about 50 per cent of the total cost, the remainder being made up chiefly of labour and wood. They have asked me if it would not be possible to have the intermediate and general tariffs free.

Mr. DUNNING: I am quite sure that these articles can be procured within the British Empire, and we are trying to do as much business as we can with the various parts of the empire. We are selling them our own commodities, and a tropical product of this kind might very well be secured from the same countries to whom we are trying to sell.

Mr. BELL (St. John-Albert): I understand that this fibre is obtained chiefly from Brazil, West Africa, India and also Mexico. The duty on imported brushes from England is 15¾ per cent. Is that right?

Mr. DUNNING: The three rates applying on the finished product are 17½ per cent, 25 per cent and 27½ per cent.

Item agreed to.

[Mr. Dunning.]

Customs tariff—553a. Stereotypers' and typecasters' blankets or blanketing and press blankets or blanketing used for printing presses, of a class or kind not made in Canada: British preferential tariff, free; intermediate tariff, 5 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—577. Collars and cuffs of xylonite, xyolite or celluloid: British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—584a. Asphalt, not solid: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 17½ per cent.

Mr. CANTLEY: What material is this?

Mr. DUNNING: This is an item that has been in the tariff for years. The imports last year were $52,000, of which $51,000 worth came from the United States and a very small quantity under the British preference.

Mr. GARLAND (Bow River): How much under the British preference?

Mr. DUNNING: A very small amount, not more than $1,000 worth, but my hon. friend will not forget that this is produced in Trinidad.

Mr. GARLAND (Bow River): We have plenty in Alberta.

Mr. DUNNING: Not of this commodity.

Item agreed to.

Customs tariff—588a. Gas for heating, cooking or illuminating, imported by pipeline, per 1,000 cubic feet: general tariff, 6 cents.

Mr. DUNNING: This removes a complete absurdity from the tariff.

Item agreed to.

Customs tariff—605. Skins for morocco leather, tanned but not further manufactured; tanners' scrap leather; leather not further finished than tanned, and skins, n.o.p.: British preferential tariff, 10 per cent; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—605a. Belting leather, further finished than tanned: British preferential tariff, 10 per cent; intermediate tariff, 20 per cent; general tariff, 22½ per cent.

Item agreed to.

Customs tariff—618b. Tires of rubber for vehicles of all kinds, fitted or not: British preferential tariff, 22½ per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—636. Featherbone, plain or covered, in coils: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—649. Shoe buttons, n.o.p.: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—650a. Button blanks of animal shell, in the rough: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

Item agreed to.

Customs tariff—657b. Special parts, in the rough, when imported by manufacturers of cameras, for use only in the manufacture of cameras: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.

Item agreed to.

Customs tariff—663c. Soya beans, soya bean cake and soya bean meal when imported by manufacturers of cattle foods and fertilizers for use exclusively in the manufacture of cattle foods and fertilizers, in their own factories: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. ADSHEAD: Why should this be free exclusively for manufacturers of soya food? Why should the farmer not be permitted to make the food himself, if he so chooses? It is free to the manufacturers and they can charge the farmer whatever they like, because he cannot import it himself.

Mr. DUNNING: Perhaps some of the farmer members will advise me whether the farmer could possibly use soya bean cake or meal alone as a feed. My impression is that it is an article which enters into the composition of feeds, but it is usable in a practicable way only as a feed.

Mr. ADSHEAD: Why exclude the farmer? The minister is excluding the farmer from doing this.

Mr. DUNNING: If he is a manufacturer of cattle food, even for himself, I do not see any reason why he cannot take advantage of this provision.

Mr. ADSHEAD: What is the duty on the finished article?

Mr. DUNNING: I shall have it looked up. Practically all of the stock foods are free now.

Mr. CAMPBELL: Where do these soya beans come from?

Mr. DUNNING: From China.

Item agreed to.

Customs tariff—665. Torpedoes, fire-crackers and fireworks of all kinds: British preferential tariff, free; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Mr. ROSS (Kingston): What is the idea of making these free? Where do they come from?

Mr. DUNNING: They can come from the old country.

Mr. ROSS (Kingston): I think outside of the United States they come mostly from China.

Mr. DUNNING: Out of $99,000 worth, $63,000 worth came from the United States.

Mr. ROSS (Kingston): But the minister is making the item free and these articles will all come from China via Hongkong.

Mr. DUNNING: I am making it free only under the British preference.

Mr. CANTLEY: That will apply to Hongkong.

Mr. DUNNING: They will not come from Hongkong, because Hongkong does not enjoy the British preference.

Mr. ROSS (Kingston): Then the preference is of no use in that item, because this stuff nearly all comes from China and Japan and it will continue to come.

Item agreed to.

Customs tariff—665a. Fuse, not metallic: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 20 per cent.

Item agreed to.

Customs tariff—670. Grinding wheels, stones or blocks, manufactured by the bonding together of either natural or artificial abrasives; manufactures of emery or of artificial abrasives, n.o.p.: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—672a. Sticks or canes cut into suitable lengths for umbrella, parasol or sunshade or walking sticks, further manufactured than in tariff item 455, but not further finished than bent, when imported by manufacturers of umbrellas, parasols, sunshades or walking sticks, for use exclusively in the manufacture of such articles in their own factories: British preferential tariff, free; intermediate tariff, 12½ per cent; general tariff, 15 per cent.

Item agreed to.

Customs tariff—688. Artificial teeth, not mounted: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—698a. Metal sheets for use only in making Braille printing plates, typewriters with Braille characters on the keys and writing appliances for use only by the blind: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—706. Articles for the personal or official use of representatives of foreign countries and of His Majesty governments, and for the personal use of their families, suites or servants, under regulations prescribed by the governor in council: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Provided that the governor in council may withdraw any of the privileges granted under this section in the case of any country which refuses to grant the same privileges to Canadian officials holding corresponding or equivalent posts in that country, and may also rescind any order in council withdrawing the privileges as aforesaid.

Item agreed to.

4. Resolved, that section B to the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the Acts of 1928, and by order in council, be amended by striking thereout tariff items 1005, 1006, 1009, 1015, 1018, 1021, 1023, 1026, 1027, 1028, 1036, 1039, 1045, 1047, 1048, 1056, 1057, 1058, 1059, 1062, 1063, 1064 the enumerations of goods and the rates of drawback of customs duties set opposite to each of the said items, and by repealing order in council, P.C. 2851, dated the thirteenth day of August, 1921, and by inserting the following items, enumerations and rates of drawback of customs duties in said schedule B:—

Customs tariff—1005. Steel, when used in the manufacture of cutlery or stove trimmings —payable as drawback, 99 per cent.

Item agreed to.

Customs tariff—1006. Steel, when used in the manuafcture of scythes, reaping hooks, hay or straw knives, hoes, agricultural forks, hand rakes, axes or windmills—payable as drawback, 99 per cent.

Item agreed to.

Customs tariff—1009. Steel, when used in the manufacture of files, augers, auger bits, bit braces, wrenches, hammers or hatchets—payable as drawback, 60 per cent.

Item agreed to.

Customs tariff—1015. Steel, when used in the manufacture of skates or bicycle chain—payable as drawback, 40 per cent.

Item agreed to.

Customs tariff—1018. Seamless iron or steel tubing over four inches in diameter, when used in the transmission of natural gas under high pressure from the gas wells to points of distribution—payable as drawback, 50 per cent.

Mr. CANTLEY: All of the materials enumerated in the items from 1005 to 1015 inclusive have been made in Canada for thirty years and it is unfair that they should be admitted duty free while the manufacturers who use them as their raw material have a very fair rate of protection. There is not much use in attempting to protect the steel trade when at the same time it is practically wide open to manufacturers of almost every class of material that can be thought of.

Mr. BLACK (Halifax): Would the minister be good enough to explain why on items 1005 and 1006 there is a drawback of 99 per cent, whereas on item 1015 there is a drawback of only 40 per cent? Skates are manufactured pretty extensively, as the minister knows.

Mr. CHAPLIN: I might point out to the minister also that in item 1006 there is a drawback of 99 per cent. That should be 100 per cent because the articles that are being made have no duty on them at all.

Mr. CANTLEY: That is quite true, but at the same time we in Nova Scotia thirty years ago supplied my hon. friend with material for making scythes and we would do so again if we had a decent tariff which gave fair protection to everybody concerned.

Mr. DUNNING: With regard to the drawback items, the whole matter was carefully studied by the tariff board in relation to each item and in relation to the industry, as well as the rates obtaining with respect to the various products, and it was considered that 40 per cent in this case, having regard to the rates of duty on the finished product, was a sufficient drawback. My hon. friend from Pictou would say that that was too much.

Mr. CANTLEY: Of course it is.

Mr. DUNNING: Those who are interested in the secondary manufacture would say that it is not enough. It is a matter of judgment.

Mr. CHAPLIN: I object to that. I do not think the minister should say that at all. The manufacturers engaged in the manufacture of secondary products would very properly say that you should protect the primary industry, and then on top of that protect the secondary industry, and then both will live. But with what you are doing now, neither will live.

Mr. DUNNING: Are they all going to die?

Mr. CHAPLIN: The policy you are adopting is gradually killing and will gradually kill them; there is no doubt about that.

Mr. DUNNING: My hon. friend really believes that?

Mr. CHAPLIN: I absolutely do.

Mr. DUNNING: He believes that the whole steel industry in this country, primary and secondary, is going to be killed?

Mr. CHAPLIN: The way you are handling it, it could not be otherwise, because the people who have been handling this tariff are not even good business men. That is true. The man that is at the head of it has never made a success of any business he has ever been in, except the one of promoting and lobbying. That is the truth.

Mr. EVANS: There is no fear of the steel industry in this country dying. They still have the price fixing power, and still export their goods at the expense of the consumer. I do not see why they have a drawback of 99 per cent or 60 or 40 per cent. Why should the finished articles carry a duty of 20 per cent, which has to be paid by the farmer who has no price fixing power, and who has to find a market for his products against all the cheap labour of the world? Is it right that we should protect one class over and over again at the expense of the other? Is it right that discriminatory legislation should be put through this house for the purpose of allowing one class to ride on the back of the other year after year? I hope the time will soon come when I shall see my own class emancipated from these conditions.

Mr. CANTLEY: I want to give the house a little information. Many years ago we made in New Glasgow hundreds of tons of skate steel, which was worked into skates in Halifax. Nobody was hurt. The Halifax people were competing with the whole world in skates, particularly with Germany. That business has been wiped out by the drawback.

Then take item 1009. A large quantity of steel was produced for the articles in this item. Take the question of agricultural implement steel, to which I have already referred in this house. There was a time when we in New Glasgow supplied 40 per cent of all the steel used in the manufacture of agricultural implements in Ontario. But a quarter of a million dollars' worth of plant has been scrapped and large numbers of men have been thrown out of employment. Who has benefited by that change? Agricultural implements are not any cheaper to-day than when the steel was made in Nova Scotia. It could be made there to-day and in Ontario, and that it is not made there to-day is due to very faulty tariff construction. A scientific tariff would begin with the basic forms of iron and steel and go on up progressively in accordance with the amount of labour involved in each manufacture. This tariff has departed entirely from that principle; it has resulted in a large wastage of capital invested in plant, and has thrown a very large number of men out of employment. Is that a desirable condition of affairs to perpetuate in this country? I leave it to the minister.

Item agreed to.

Customs tariff—1021. Rolled round wire rods in the coil, of iron or steel, not over .375 inch in diameter, when used in the manufacture of galvanized iron or steel wire, curved or not, .144, .104, or .092 inch in diameter with tolerance not to exceed .004 inch—payable as drawback, 99 per cent.

Mr. DUNNING: I have an amendment to make to that item, Mr. Chairman, in order to make it agree in intent and wording with the items in the tariff which it covers. It is the intention that the drawback should apply only to rods used in the manufacture of wire covered by item 401d. I move to insert after the words ".004 inch" the words "but not when such wire is for use in telegraph or telephone lines." There is no change at all.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—1023. Hot rolled hexagon iron or steel bars, when used in the manufacture of cold drawn or cold rolled iron or steel bars—payable as drawback, 60 per cent.

Item agreed to.

Customs tariff—1026. Materials, when used in the manufacture of containers for articles entitled to entry under tariff item 219a—payable as drawback, 99 per cent.

Item agreed to.

Customs tariff—1027. Materials, when used by manufacturers of malleable iron castings or steel shafting for use exclusively in the manufacture of goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c—payable as drawback, 80 per cent.

Mr. SIMPSON: Has the minister the total value of the imports last year to which this drawback applies?

Mr. DUNNING: The amount paid in the fiscal year 1929 was $10,800. I have a slight correction to make in this item, Mr. Chairman. In the fourth line, after the word "of", I move to insert the words "Such articles for use in the manufacture of."

Amendment agreed to.

Item as amended agreed to.

Mr. DUNNING: I have a new item to insert, Mr. Chairman. It will be item 1028, and will read as follows:

Customs tariff—1028. Steel billets, when used in the manufacture of the seamless pipes, tubes and flues enumerated in tariff items 399 and 410d.

Provided that no drawback shall be paid under this item when the pipes, tubes and flues enumerated in tariff items 399 and 410d are dutiable under the general tariff of schedule A to this act—payable as drawback, 99 per cent.

We failed to include free billets for free commodities, and this item is inserted to correct that slip.

Mr. SIMPSON: This is simply providing another drawback on the primary industry. Why not make provision for a duty on the seamless pipe when manufactured in this country, a provision similar to the one you have for skelp steel?

Mr. CHAPLIN: These drawbacks just take so much more business away from the primary industry, that the hon. member for Pictou (Mr. Cantley) has been speaking about.

Mr. DUNNING: Item 399 is:

Pipes, tubes and flues, of wrought iron or steel, not further manufactured than in straight lengths—

Last night we had a discussion on bent tubes. My hon. friend from London (Mr. White) wanted the bent ones free, and I yielded to his request. Now the manufacturers are in the position of having to pay duty on the materials which enter into these things which other manufacturers desire to have free. I am trying to correct that condition so far as it relates to these flues and well casings. That is, they are free items under the tariff, and the manufacturers of them certainly ought not to pay tariff on the ingots used in their production.

Mr. CANTLEY: The minister is mixing up two separate items.

Mr. SIMPSON: Will it be confined to those?

Mr. DUNNING: Yes, and only so long as the items are free.

Mr. WHITE (London): I have no objection, but as I pointed out this afternoon, while hot rolled iron and steel comes in free, the billet duty is raised $2 a ton.

Mr. DUNNING: I will check that up.

Mr. KAISER: This drawback refers to steel sheets in connection with the manufacture of automobiles. This item merely covers steel sheets used in the manufacture of the gasoline tanks of automobiles. Hitherto the 99 per cent drawback covered all the stampings in connection with the manufacture of automobiles. If there is any desire on the part of the government to get cheaper automobiles it is no use to add additional charges to their manufacture. After the words "steel sheets" in the order in council passed in 1921 the words "cold rolled sheets" were added and it is out of these hot and cold rolled sheets that—

Mr. DUNNING: If my hon. friend would only let me explain. The words to which he referred were dropped in typing. It is purely a typographical error and the people disturbed have all been so informed.

Mr. KAISER: Has the government informed them?

Mr. DUNNING: Yes. I have the correction here.

Mr. KAISER: Why should these items come up here after being passed on by the tariff board and by the customs officers and still contain such blunders as, if passed, would put manufacturers out of business?

Mr. DUNNING: Mr. Chairman, I can only say that these words were dropped in typing and were not caught in time to be corrected otherwise than by moving a resolution, which I do now. Those interested were immediately advised as soon as the mistake was discovered, and they are not a bit disturbed about it now, I can assure my hon. friend.

Mr. KAISER: Are we to expect these items to come from the tariff board loaded with blunders?

Mr. DUNNING: The tariff board made no blunder; a typist did.

Amendment agreed to.

Mr. KAISER: What words are added?

Mr. DUNNING: "Hot or cold rolled."

Item as amended agreed to.

Customs tariff—1045. Steel sheets, coated with lead or with lead and tin, .064 inch to .022 inch in thickness, 20 to 42 inches in width and 50 to 120 inches in length, when used in the manufacture of stampings for automobiles—payable as drawback, 99 per cent.

Item agreed to.

Customs tariff—1047. Materials, when used in the manufacture of articles enumerated in tariff item 410e—payable as drawback, 99 per cent.

Item agreed to.

Customs tariff—1048. Materials, including all parts, when used in the manufacture of goods enumerated in tariff item 440k—payable as drawback, 50 per cent.

Item agreed to.

Customs tariff—1056. Materials, when used in the manufacture of rolled iron or rolled steel entitled to entry under tariff item 442a, when such rolled iron or rolled steel is sold to manufacturers to be used as specified in said item—payable as drawback, 99 per cent.

Mr. SIMPSON: I should like to know the amount of drawback on this item, also on 1057.

Mr. DUNNING: The drawback amounted to $2,082.

Item agreed to.

Customs tariff—1057. Materials, when used in the manufacture of articles entitled to entry under tariff item 442, when such articles are sold to manufacturers to be used as specified in said item—payable as drawback, 80 per cent.

Mr. DUNNING: The drawback was $10,900.

Item agreed to.

Customs tariff—1058. Materials, when used in the manufacture of articles entitled to entry under tariff items 411 and 411a, not including saws, and articles entitled to entry under tariff item 410 (1), when such articles are used as specified in said items—payable as drawback, 60 per cent.

Item agreed to.

Customs tariff—1059. Materials, when used in the manufacture of articles entitled to entry under tariff items 410b and 410z when such articles are used as specified in said items—payable as drawback, 70 per cent.

Item agreed to.

Customs tariff—1062. Materials, including all parts, when used in the manufacture of marking gauges, levels, planes or hand tool scrapers, spoke shaves, try squares, bevels, measuring tapes of metal, rules, forged wire rope sockets, lathe dogs, tool holders, forged clamps, chain pipe wrenches.

Provided that no drawback shall be paid under this item unless at least fifty per centum of the cost of producing the finished article has been incurred in Canada; and provided further that no drawback under this item shall be payable more than once on any article—payable as drawback, 60 per cent.

Mr. DUNNING: The words "of metal" should be deleted in the fifth line.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—1063. Materials, including all parts, when imported prior to July 1, 1932, when used in the manufacture of engines for use exclusively in the equipment of aircraft.

Provided that on and after July 1, 1930, no drawback shall be paid under this item unless at least 25 per centum of the cost of producing the finished engine has been incurred in Canada—payable as drawback, 60 per cent.

Item agreed to.

Customs tariff—1064. Materials, including all parts, when imported prior to July 1, 1932, when used in the manufacture of aircraft, not including engines.

Provided that no drawback shall be paid under this item unless at least fifty per centum of the cost of producing the finished article has been incurred in Canada—payable as drawback, 60 per cent.

Item agreed to.

5. Resolved, that any enactment founded on the foregoing resolutions shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for consumption for which no entry for consumption was made before that day.

Mr. BENNETT: Mr. Chairman, how does the minister propose to deal with that class of cases in which there has been a variation of the schedules since we went into committee, and which would imply payments at one rate and the tariff applied at another.

Mr. DUNNING: I have made inquiries as to the practice in the past in all similar cases. Applications for refunds are considered on their individual merits. The practice followed has been dependent very largely upon whether the person entitled to consideration for refund himself, or as a corporation, was subject to any loss in the matter. Wherever losses were definitely ascertained as being present and not passed on so that they could not be followed, I find consideration of refunds has been given by the Department of National Revenue and submitted to the treasury board. But cases have occurred in the past in which it was quite impossible to trace the ultimate result of the reduction.

Mr. BENNETT: The hon. minister will realize in connection with fruit and vegetables that the large sums of money that were paid for a period of more than two weeks by those importing such goods from the United States would naturally not involve the consumers in any refunds that might be made.

Mr. DUNNING: Yes.

Mr. BENNETT: I was asked to have the minister if possible make some statement as to what the policy of the government would be, because I propose as we proceed, in view of certain statements that have been made both in the press and by members of this house, to question further as to the reasons that were in the minister's mind when he introduced the measure as he did and amended it as it now stands. It was in order to be fair with him in that regard that I now put to him the question as to whether or not any refund will be made in matters of that kind.

Mr. DUNNING: In so far as the fruit and vegetable changes are concerned the matter has not been considered as one of government policy. My hon. friend will readily appreciate that I am not in a position to indicate the view of the government. Applications for refunds are always given consideration; that is, any one who thinks himself aggrieved under the provisions of the law may apply for refund. Consideration to grievances will have to be given as they arise.

Mr. BENNETT: There is one other item to which I wish to direct the attention of the minister. I refer to the item in respect to the importation of soft flour. Soft flour is made from soft wheat, and is used for the production of biscuits. Some years ago a biscuit factory was established in the city of Edmonton; it has since been sold. Recently there was established in Calgary a small biscuit factory which now employs about 125 people. As hon. members know, soda biscuits, so-called, are largely if not entirely made from flour manufactured from soft wheat. In the early days of my experience in western Canada soft wheat was grown in British Columbia and milled at a small mill near Enderby. In recent years that supply has been discontinued, and so far as western Canada or British Columbia are concerned no supply is available for the production of biscuits. The factory at Calgary, as well as the factory at Edmonton, have been depending upon the supply of flour imported from the United States, produced, as I have said, from soft wheat, not from hard wheat. In the province of Ontario the large biscuit factories have ample supplies of flour milled from soft wheat, and the supplies of this commodity going into Alberta come either from Ontario or from the western United States. The demand in Ontario for flour milled from soft wheat is practically met by the home grown article. Importations into Canada from the United States during the last few years have averaged 65,000 barrels per annum, and a duty of 50 cents per barrel has been charged. As it now reads the countervailing duty on soft wheat per barrel will be $2.03.



Mr. DUNNING: Two dollars?

Mr. BENNETT: Yes, on flour milled from soft wheat.

Mr. DUNNING: Is my hon. friend sure of his figure?

Mr. BENNETT: If my hon. friend will look at the present American tariff, which does not differentiate between flours milled from hard and soft wheats, he will find my statement to be true. The effect of this will be to impose upon that small industry in Calgary a tax of $2.03 per barrel of flour. Soft wheat flour is practically the only flour which can be utilized for their purposes. I will not repeat what I said the other day as to the difficulties experienced in establishing industries in these western communities. I could cite the case of the Regal biscuit factory which lost something like $300,000 when it went out of business in western Canada. It was established in the city of Calgary. Through local capital efforts are now being made to reestablish the industry. The investment involved in the city of Calgary amounts to about $300,000, and there are approximately 125 employees on the payroll.

Notwithstanding the protection that has been afforded to Canadian industry the importation of unsweetened biscuits from the United States during the fiscal year 1924-25 amounted to 612,000 pounds; in 1925-26, 706,000 pounds; in 1926-27, 733,000 pounds; in 1927-28, 864,000 pounds, and in 1928-29, 881,000 pounds. The importations of the sweetened product from the United States increased from 347,000 pounds in 1924 to 1,105,459 pounds in 1928-29. In the intervening years the importation had reached as high as 1,280,000 pounds, and the low figure was 998,000 pounds. Under the proposed countervailing duty against all classes of flour there will be a duty of $2.03 per barrel instead of 50 cents per barrel.

Mr. DUNNING: $2.03?

Mr. BENNETT: Yes. I am basing my figure on 196 pounds to the barrel. I submit to the minister that the purpose he has in mind would be amply fulfilled by sub-dividing the item so as to provide for countervailing duties on hard wheat flour, and an additional clause in connection with soft wheat flour. I would suggest the addition to item 61a as follows:

Wheat flour, of soft wheat, when imported by manufacturers of biscuits for use only in their own factories in the manufacture of biscuits, per barrel: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 50 cents.

Such an addition would have the effect of enabling this industry to continue, while at the same time it would not in any sense interfere with the operation of the countervailing duties in connection with the class of wheat flour covered by the tariff item.

Mr. DUNNING: Has my hon. friend investigated the freight rate situation from the point of origin of the soft wheat flour?

Mr. BENNETT: I should have said to my hon. friend that so far as freight rates are concerned there is no milling in transit rate on soft wheat flour from eastern Canada to Calgary, therefore the milling in transit rate that applies to eastbound traffic has no application. Whereas the wheat at one time was ground in small quantities in the mill at Enderby which has since been abandoned, as some of the hon. gentlemen will no doubt recall, and there being no soft wheat grown in the prairie provinces suitable for the production of biscuits, we have to have recourse to the supply in the States directly south of Alberta. I refer to the state of Washington—

Mr. DUNNING: Farther south than that.

Mr. BENNETT: No.

Mr. DUNNING: Washington?

Mr. BENNETT: Yes, and probably a little farther south on some occasions. Special varieties of soft wheat flour may be obtained farther south than Washington and Oregon, but in the main those states produce the flour which is used in the Calgary plant for biscuit making. So far as I can see there would be no Canadian industry or activity affected by my proposed item. If there were it is needless to say I should be very glad to have such industries protected.

Mr. DUNNING: The milling of soft wheat flour is an important Canadian industry.

Mr. BENNETT: But only where there is a constant and ever increasing demand nearby, because the freight rate makes it impossible to move the wheat west. I tell the minister frankly that so far as my investigation has gone I have stated the facts correctly. A representative of a western plant came down here to interview the minister, but I do not know whether the hon. gentleman has had an opportunity to confer with him.

Mr. DUNNING: My office was in touch with him.

Mr. BENNETT: Of course he feels that the increase in duty from 50 cents to $2.03, on a product which is not produced in his part of Canada and which under existing freight rates cannot be made available for the development of that industry, there being no milling in transit rate on westbound products, is an impossible situation.

Mr. DUNNING: I mentioned the freight rate aspect of it having in mind the present source of supply and the rate on the product to Calgary and Edmonton and I believe also to Regina, where I think there is a branch of the same institution, although I am not sure. As nearly as I could work it out without accurately and definitely getting the rates, it should be possible to ship that flour from the east to the west at a comparable rate to that which prevails from the point of origin in the United States. However, I do not expect to deal completely with the resolution to-night and perhaps I might make a note to look into this matter further; the item as such is passed, but the resolution itself will not be passed until all the component parts have been dealt with. I will look further into the matter. My hon. friend's suggestion is a qualification. Of course so far as Ontario is concerned he will appreciate the fact that the item as it stands is very acceptable.

Mr. BENNETT: Yes. If it affected in that province any trade with the community to which I have referred, then of course there would be clear justification for protection of the indutsry—that is the industry of agriculture—by the application of the tariff item. But from 50 cents to $2.03 a barrel is an increase of something like 300 per cent on that item alone, and if it were pure protection the rate would not be necessary. It is more than that; it is an incidence to the application of a countervailing duty on wheat flour, which should be divided into two classes, namely that produced from soft wheat and that produced from hard wheat.

Mr. DUNNING: My hon. friend sees the difficulty, of course, but I will give it further consideration.

Mr. BENNETT: To save time I have purposely discussed the matter now, having mentioned it to the minister, rather than when the measure based upon these items was submitted.

The CHAIRMAN: Shall I report the resolution?

Mr. DUNNING: We might revert to items 377, 377a, 377b and 377c, which were allowed to stand.

Customs tariff—377. Ingots, of iron or steel, n.o.p., per ton: British preferential tariff, $1.50; intermediate tariff, $2.50; general tariff, $3.

Customs tariff—377a. Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton: British preferential tariff, $2.50; intermediate tariff, $4; general tariff, $4.50.

Customs tariff—377b. Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, valued at not less than 3 cents per pound, when imported by manufacturers of steel for use exclusively in the manufacture of steel, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, 5 per cent.

Customs tariff—377c. Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, of a class or kind not made in Canada, when imported by manufacturers of forgings for use exclusively in the manufacture of forgings, in their own factories, under regulations prescribed by the minister, per ton: British preferential tariff, free; intermediate tariff, $2.25; general tariff, $2.50.

Mr. DUNNING: These are the items in connection with which the leader of the opposition made a suggestion. I have looked into it and I find that it would be quite impracticable in operation, as far as I can gather from trying to follow what would be the result. It would produce in practice a chaotic condition in relation to three or four items of the customs tariff, and particularly as applied to a number of industries in different parts of Canada, some of which might be complying with the conditions while others were not, whereas the tariff itself is applicable across the whole of Canada and to all imports of that class or kind. It would be quite impossible of application.

Mr. HEAPS: Might I suggest that these items be held over until to-morrow morning? Quite a number of members would like to discuss them.

Mr. DUNNING: They have been standing now for two or three days following a very elaborate discussion, and there is half an hour yet remaining to-night. Of course my hon. friend is aware that there will be a further opportunity in the committee stage of the bill to discuss these items if that is thought desirable. There is a good deal of revision to be done on the bill which will be introduced, and there will be no barring of an opportunity to discuss any item.

Mr. ROSS (Kingston): I should like to ask the minister if he has reconsidered item 296.

[The Chairman.]

Mr. DUNNING: We are gathering still information on feldspar, and that item either will have to be carried as it is or will have to stand for the moment. It is very hard for my officers to get sufficient time to prepare information for me while they are compelled to be in the house.

Mr. CHAIRMAN: Shall item 377 carry?

Mr. BENNETT: What the minister has said probably is true, except that perhaps those who might be affected could give some assurance that they will look into the question of improving the conditions under which labour is now employed. I fancy there will be no difficulty about that being said. I did look into the matter, as the minister suggested, and I have some doubt as to the validity of any such amendment, from the standpoint of interfering with the scheme of taxation, in view of what the chairman said the other day. That is the reason, frankly, why it was not embodied in the form of an amendment.

Mr. DUNNING: Has my hon. friend looked into the practicability of it?

Mr. BENNETT: I have not up to the moment done more than look into the other aspect of it, the one in which I was more intimately concerned, having regard to what the chairman said the other day.

Mr. WOODSWORTH: I do not think this ought to carry. We tried to impress upon the committee the other day the importance of protecting the interests of the workers in the steel industry. I do not think it is necessary at this stage to review what was then said. The fact is that these companies are receiving a very considerable benefit from this country and the least we should do is to insist that their employees be given something like decent conditions under which to work.

It has been stated that the company is not at the moment in a very good position to give this assurance. That statement has been made for a good many years now. For the past six or seven years I have discussed this matter in the house, and always we are told that the companies are not in a position to do it. I have never yet heard of a reform which has not been met with some statement of that kind. It seems to me that the time has come when we have to decide frankly whether dividends or the needs of the employees are to have first consideration. It may be said in this connection that the company is not paying dividends. At least it is carrying on, and I take it that in a good many departments we already recognize that wages are a first claim. It ought to be

recognized here that wages and decent working conditions are a first claim upon the industry. I quoted figures the other day to show that provision was being made for the obsolescence of machinery, for replacement, for reserves, and so on. I have no objection to the company making such provisions, but I do say that provision ought to be made for the people whom it employs, and that the provision for the employees ought to come first.

Under these circumstances I think the Prime Minister ought to accede to our request. He said that if we took the step in this case it would have to be taken in all cases, and he said also that he was willing to do it. I should like to have him make a statement on that particular point. I think he should do so, after what was said on the floor of the house the other day. I quite concede that it might be difficult to apply immediately in industry the whole of the provisions of the treaty of Versailles, and that is why I am in favour of having some of them applied in this one item. I quite concede that all industrial establishments ought to have the eight hour day, but these steel works are the only big industrial establishments I know of in this country that are working their men twelve hours a day.

An hon. MEMBER: And fourteen hours per day.

Mr. WOODSWORTH: They work twelve hours a day for seven days in the week, and in some cases the night men work thirteen hours a shift. During the change over from shift to shift I am told that the men work for twenty-four hours without cessation. So far as I know this is the only large industry in which men have to work under such conditions; hence there is a particular reason for the making of suitable provisions in this case. When protection is being given to this industry, provision should be made for the workers. Why put it off until another year has passed? Is the government going to put this off altogether? Why wait until such time as the companies are prepared to come through?

Mr. CANTLEY: Mr. Chairman, I desire to make a statement in regard to the remarks made the other night in reference to this matter. On Wednesday night the house heard a good deal of lurid speech as to living and labour conditions in Glace Bay, Cape Breton. Quotations were made from reported investigations by certain well-meaning men of God and others with what perhaps may be termed somewhat advanced views as to social service and similar matters. Some of the statements quoted and made were probably correct; others were possibly exaggerations.

I have no interest in the Besco corporation and never had beyond a small matter of holding shares to the nominal value of $100 with a present market value of less than half that amount. As to the condition of their housing properties at Glace Bay, I personally know nothing and therefore offer neither criticism nor defence.

In view of the general denouncement voiced here last Wednesday night, I consider it desirable now to say that conditions such as referred to do not now prevail nor have they at any time during the past forty-five years prevailed as regards the Nova Scotia Steel and Coal Company of New Glasgow, in connection with either their mainland or their Cape Breton enterprises. Neither at New Glasgow nor at Trenton did that company build or own any houses or tenements for the housing of its employees. They did, however, encourage and assist employees to build and own their houses, and many of them do own their houses in both these towns, due to assistance given by the company.

When the Scotia Company acquired in 1900 the property and mines of the General Mining Association of London, and in the following year proceeded to develop further the property by opening additional collieries and erecting coal washeries, coke ovens, blast furnaces and a modern open hearth steel plant, they found the colliery employees for the most part living in houses many of which had been occupied for many years. Some of these of brick and stone construction were in fairly good condition and comfortable. On the other hand a considerable number of the wooden houses were not in good condition. These were replaced by upwards of 350 new houses, all of which were supplied with water and sewer connection and electric lighting facilities, and the occupants were urged to and in many cases have become owners, the company selling the houses to employees at actual cost and payment being made by monthly contributions with interest at 6 per cent on the outstanding balances. Most, if indeed not all, of these houses are now owned outright and free from any liability to the company. A considerable number of houses were also built on plots of suitable land situate on the established streets, with water, sewer and electric connections, the land being given to the operatives free of cost if the employee built a house thereon, the cost being advanced at 6 per cent interest, repayable at the convenience of the employee owners.

No such conditions as described on Wednesday night exist or at any time have existed at New Glasgow, Trenton or Sydney Mines in so far as the employees of the Scotia Company were or are concerned. I make this statement without fear of successful contradiction and from first-hand knowledge gained by official connection with the corporation for more than two score years and as its general manager and director for more than twenty years.

May I add that from the formation of the Scotia Company the value of a contented, loyal body of workers was recognized and fostered by the management, and a more skilful and enthusiastic group of coal miners and steel operators than those of the Scotia's employ do not exist anywhere. Leaders have been supplied from those workers to many similar undertakings both in Canada and in the United States. The success of the ideal to which I refer is evidenced by the fact that in the case of the mainland enterprise, which has operated continuously for more than fifty years, and in the case of the Sydney Mines coal and steel operations, carried on over a period of thirty years, no strike has ever occurred. True it is that on one brief occasion during the overstrained period of the war a ticket-of-leave Australian convict agitator appeared and succeeded in stirring up some little friction. That, however, was speedily settled by mutual agreement and with no stoppage of work and no shadow of unrest or suggestion of dissatisfaction has since developed—a record, Mr. Chairman, which I claim to be creditable both to the men and to the management, a record not excelled by any corporation in this Dominion operating a like diversified industry. During the period I have referred to, other corporations in Nova Scotia, both coal mining and steel companies, have had several severe and long continued strikes. One company within a period of twenty-five years has had more than a score of strikes. Another corporation had a stoppage of its operations extending considerably over a year —indeed, approaching two full years. The experience of the Scotia Company in that connection is, I submit, most illuminating, and so far as that corporation is concerned the denunciations of the various speakers on Wednesday evening last do not apply.

I am glad to have had the opportunity of making this statement, and I think it only fair to the corporation to which I have referred and to the workers employed by it that the committee should be in possession of the actual facts.

[Mr. Cantley.]

Mr. SMITH (Cumberland): Which speakers are you referring to?

Mr. CANTLEY: To some of the speakers who spoke on Wednesday evening.

Mr. SMITH (Cumberland): What speakers?

Mr. CANTLEY: I am not going to particularize them.

Mr. HEAPS: Will the hon. gentleman be good enough to inform the committee as to the number of hours worked by the men employed at the mill at New Glasgow?

Mr. CANTLEY: I think the longest hours we have worked in recent years is a fifty-four hour week.

Mr. HEAPS: Are there night and day shifts?

Mr. CANTLEY: I think so.

Mr. HEAPS: Do any of the men in the steel mills work the same hours as they do at Sydney?

Mr. CANTLEY: I do not know what hours are worked at Sydney.

Mr. HEAPS: Does the night shift at New Glasgow work twelve hours?

Mr. CANTLEY: Not that I know of.

Mr. HEAPS: New Glasgow was not mentioned in any of the denouncements made on Wednesday evening.

Mr. CANTLEY: I agree with that.

Mr. HEAPS: We were referring particularly to conditions which are well known to exist at Glace Bay and Sydney. I do not think there is one hon. member of this house who would dispute the statements made in reference to those places, which statements have been made not only this year but in previous years. I think it is a little unfair for the previous speaker (Mr. Cantley) to throw suspicion upon the men and women of high reputation who went to the mills at Sydney and Glace Bay and investigated the conditions existing there, which conditions were condemned in the strongest possible language. Severe condemnation of these conditions was made also by the commission appointed by the government of Nova Scotia. I do not think there is a single hon. member who would dare to rise in his place and defend the conditions which exist at the steel mills of the Besco corporation. I must confess that I know very little about the conditions at New Glasgow, but neither I nor any other hon. member mentioned those particular works when this matter was under discussion.

I had hoped, when the leader of the opposition and the leader of the house were unanimous in saying that better conditions should be provided for the men engaged in the steel industry in particular, there would have been some action on the part of the government. But what do we find? To-night the Minister of Finance, without adequate reason asks us to adopt a measure of increased protection to the British Empire Steel Corporation. What was the defence of the minister Wednesday evening? It was that the employees themselves had asked for this protection. Hon. members who are familiar with the conditions that prevail in the steel industry will realize how easy it is, with the company union they have, to pay the expenses of the men to Ottawa in order that they may plead on behalf of the company.

May I point out to the minister and to the committee a more classic example than that of these men who came here and pleaded for the company? Those who have read the history of the civil war of the United States know how the slaves, who were mere chattels, fought on the side of their masters when the north was trying to emancipate them from chattel slavery. We have similar conditions to-day when an attempt is being made to free men from what might be called wage slavery. Even the men themselves object to the eight hour day, because they think for the moment it may mean a reduction in pay. I am surprised, however, that the Minister of Finance, who ought to know something of conditions in poor homes, who has risen from a humble home to the position he now occupies, should defend an increase—

Mr. DUNNING: I must object to that. I was merely giving information to the committee. If my hon. friend will read what I said, he will not find in it any cause for surprise. It is my duty to give information and I merely gave it without comment; in fact, I specifically so stated.

Mr. HEAPS: I would be the last person in the world to do an injustice to the Minister of Finance.

Mr. DUNNING: My concluding remarks were:

> What concerns me is how it is possible practically and definitely to apply it, and that feature of the matter, of course, requires consideration. I rose merely to advise the committee that the men had associated themselves unconditionally with the employers in asking for what is here granted.

Mr. HEAPS: But the Minister of Finance was trying to pilot through the house increased protection for this industry, and one of the reasons he gave to the house in support of the proposal was that the men themselves employed in the steel industry had agreed to this increased tariff protection.

Mr. DUNNING: The men stated that they desired it, and I merely conveyed that information to the house.

Mr. HEAPS: I do not know whom the men who desired it represented; they may or may not have represented all the men in the industry. But I have also had an opportunity of coming into contact with those men and I know that to-day they are complaining most bitterly of the conditions under which they are compelled to work.

Mr. DUNNING: I have no doubt of it, and properly so.

Mr. HEAPS: If they want redress, how are they to get it? They find it almost impossible to organize. Everything the company by strong organization can use against them is being so used. The only place to which they can look for redress is parliament. What is parliament doing? Instead of looking after the interests of the men it is looking after the interests of the owners of the industry, the capitalists; it is giving protection to the industry, and the men can wait until it suits the employers to give better conditions to their employees. It is common knowledge that in the past couple of days, since we had this discussion on Wednesday, there have been around these buildings some of the directors of the British Empire Steel Corporation. I have no objection to their coming here and pleading with their friends in the house; but how different would conditions be if the men had an opportunity of coming here. It is, however, difficult for them to come; they cannot afford to do so unless under the same conditions as the men came last year, their expenses being paid by the company, and pleaded for higher protection for the industry.

To-night I am making a plea for the men. At the moment I am not concerned as to the financial position of the corporation. I know there exist in the city of Sydney in the Dominion of Canada conditions which are a disgrace to this country, where men are compelled to work on night shifts thirteen hours at a stretch with an interval of only half an hour for something to eat, and where some weeks they work 102 hours. It is almost unheard-of; it is well-nigh unbelievable. To-night I was in a friend's house in Ottawa and the lady of the house said to me: "I read something in the newspaper about men working eleven and twelve hours a day. Surely they would

not work eleven and twelve hours a day in the Dominion of Canada!" I had to tell her that men not only had to do that, but that on some shifts they had to work thirteen hours at a stretch.

Further, if an industry as wealthy as the British Empire Steel Corporation, with all the advantages it has at its command, cannot afford to provide for its men better conditions than those, Canada would in the long run be better off without such an industry. Can the industry afford to give those men better conditions? Rarely has there been an industry that of its own volition has given conditions to its employees. Parliament therefore takes a retrograde step if it gives protection to the shareholders who live in all parts of the world and refuses to give a little bit of protection to the men employed in the industry. We all admit that conditions under which men are compelled to work eleven, twelve and thirteen hours at a stretch, are intolerable. Our first duty therefore is not toward the shareholders but toward the man; yet we are not taking any action that would appear to afford better conditions to the men engaged in the industry. The other night hon. members representing those districts and representing the workers in Nova Scotia rose in their places and pleaded with the house that some action be taken.

Progress reported.

## REPORTS OF COMMITTEES

Seventh report of the special committee on pensions and returned soldiers' problems.—Mr. Power.

Third report of the special committee appointed to consider the Dominion Elections Act and the Corrupt Practices Act.—Mr. Power.

Mr. BENNETT: In looking over the Pension Act the other day, I saw no provision for the repeal of sections that might be inconsistent with the provisions of the new bill, and I thought it might be desirable to mention in the senate that such a section should be added, namely, that any provisions of the old act that were inconsistent with the proposed new act should stand repealed.

Mr. POWER: Colonel Biggar, counsel for the committee, informed me that that particular point was covered, but I see the point raised by my hon. friend, and I shall take it up with him.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

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[Mr. Heaps.]

# Saturday, May 24, 1930

The house met at eleven o'clock.

## PENSIONS AND SOLDIERS' PROBLEMS

Mr. C. G. POWER (Quebec South) moved concurrence in the seventh report of the special committee on pensions and returned soldiers' problems.

Motion agreed to.

## UNEMPLOYMENT IN ALBERTA

On the orders of the day:

Mr. G. G. COOTE (Mcleod): Mr. Speaker, I desire to draw the attention of the Minister of Mines (Mr. Stewart) to the following telegram:

> The executive board of the Mine Workers Union of Canada urgently requests the federal government to give attention to the serious condition of unemployment and distress now prevailing throughout the mining industry of western Canada and would suggest as one means to that end that the government concede to the request made for subvention of rates as placed before the government by the representatives of the mining industry of western Canada.

It is signed by Frank Wheatley, president of the Mine Workers' Union of Canada. I know the government have had this matter under consideration, and I would ask the minister whether in view of the early closing of parliament he is yet prepared to make a statement in regard to it.

Hon. CHARLES STEWART (Minister of Mines): Mr. Speaker, the matter has been under consideration for some days by the government, and I expect to have full information to place before the house in order that we may deal with it to-day or Monday.

Mr. E. J. GARLAND (Bow River): A few days ago, Mr. Speaker, I noticed in some of the press reports from the province of Alberta that Premier Brownlee was to report to this government the unemployment conditions there and ask for assistance. Has any information been received from him?

Mr. STEWART (Edmonton): Not so far as I know. I have not received any information, and the Prime Minister states that he has not.

## PUBLIC WORKS AT BEAVERTON

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I desire to ask the Minister of Public Works (Mr. Elliott) if it is the intention of the government to complete the public works at Beaverton. Nothing has been done this year.

Hon. J. C. ELLIOTT (Minister of Public Works): Offhand I am not in a position to say what the present situation is, but I shall be glad to make inquiries and let my hon. friend know.

## RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Trade and Commerce (Mr. Malcolm) possibly the Minister of Finance (Mr. Dunning) could give me an answer with regard to a question on Russian coal. I presume that Russian coal is being sent to this country to pay for Canadian goods. Can the minister give us information as to the class of Canadian goods which is being exported to Russia and the present trade balance?

Hon. CHARLES A. DUNNING (Minister of Finance): I am afraid my hon. friend will have to put that question on the order paper. I am sure the Minister of Trade and Commerce through his department will be able to give an answer to it; I cannot offhand.

Mr. WOODSWORTH: Perhaps my question may be treated as notice of motion.

## CONCURRENCE IN SENATE AMENDMENTS

### EXPORT ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 15 to amend the Export Act.

Mr. GARDINER: Could the Prime Minister give the house some indication of the nature of the amendment?

Mr. MACKENZIE KING: Yes, the amendment is purely clerical. In line 27 the word "exportation" appears; it should have read "importation."

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I will read the section and hon. members will see how the mistake has arisen:

It shall be unlawful to make any entry for exportation of any intoxicating liquor, destined for delivery into any country into which the exportation of such liquor is prohibited by law.

The amendment is to change the second "exportation" to "importation." It depends on which side of the line you are taking your stand, I think.

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

2419—158½

### NATIONAL PARKS

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 135, respecting national parks.

Mr. GARDINER: Will the minister give an explanation?

Mr. STEWART (West Edmonton): We found that there was some conflict in connection with subsection 3 of section 6 of the National Parks Act as it applied to railways, and in order to ascertain the real standing as between our claim of ownership of right of way and the claim of the railway company we have allowed the section to be stricken out for the time being. Subsection (3) of section 6 is as follows:

No lands within a park, other than those specified in subsection (2) hereof, shall be patented or conveyed in fee.

There was a strong feeling on the part of the railways that we were taking arbitrary powers under this bill to dispossess them of rights which they thought they might have or rights which were in dispute. We do not want to put ourselves in that position; we do not want to take advantage of the railways and by an act of parliament put ourselves in any superior position. It is a matter that will have to be settled between the government and the railways.

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

### WAR VETERANS' ALLOWANCES

Hon. J. H. KING (Minister of Pensions and National Health) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 19, respecting war veterans' allowances.

An hon. MEMBER: Explain.

Mr. KING (Kootenay): This refers to an amendment to section 7. The purpose is to delete the word "or" in the fourth line thereof, which is undoubtedly a clerical error. The section deals with deductions not to be made. The draftsman, Colonel Biggar, has set them out separately under sections (a), (b) and (c). The section is clarified and it is acceptable to the department.

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

### FISH INSPECTION ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of

and concurrence in amendment made by the Senate to Bill No. 134, to amend the Fish Inspection Act.

An hon. MEMBER: Explain.

Mr. MACKENZIE KING: The amendment is apparent on reading the section. The section reads:

The governor in council may at any time order that this act or any one or more of the provisions of this act specified in such order, shall extend and apply to any other kinds of fish, whether pickled or not, to fish oils and to the containers used for packing and marketing such fish and oils;

The words "for packing and marketing such fish" are deleted as being superfluous, and in their stead are inserted the words "or to be used" so that the section will apply not only to containers that are used but to containers which are to be used.

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

COMPANIES ACT AMENDMENT

Hon. Mr. LAPOINTE (Minister of Justice) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 9, to amend the Companies Act.

An hon. MEMBER: Explain.

Mr. LAPOINTE: I shall give an explanation as to the nature of the amendment made by the Senate. They have added a new section, namely, section 43. Previously the bill contained 42 sections. This section is to enable the companies, through the legislative authority of the parliament of Canada, to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences intended or calculated to benefit employees or ex-employees of the corporations, either by way of pensions, allowances, by making payments towards insurance or for any object similar to the foregoing. I believe the amendment should be accepted because it is of a benevolent nature.

Mr. HANSON: I understand there is a further amendment; we have not seen it.

Mr. LAPOINTE: I shall read the whole section:

Notwithstanding anything in sections 2 and 153 of this act, every corporate body created otherwise than by letters patent for any of the purposes or objects to which the legislative authority of the parliament of Canada extends, is hereby declared to possess, as incidental and ancillary to the powers conferred by the special act or charter creating it, power to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences intended or calculated to benefit employees or ex-employees of the corporation, or of its predecessors in business, or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, or for any object like or similar to these foregoing, and to subscribe or guarantee money for charitable or benevolent objects or for any public, general or useful object.

(2) After the coming into force of this section the amount expended or to be expended for any of the purposes mentioned in subsection (1) of this section shall be determined once for all, each financial year, by one resolution only of the board of directors or other governing or administrative body of the corporation; or if preferred and so declared in the first resolution to be passed for each year, by several resolutions of the same authority each year.

That is a mere question of procedure.

Mr. BOURASSA: That is a very broad clause. Would these activities or organizations be brought under the supervision of the Superintendent of Insurance?

Mr. LAPOINTE: I do not think so.

Mr. BOURASSA: I think the change would be very dangerous. I am entirely in favour of the principle, but it allows all sorts of companies and all sorts of enterprises to carry on insurance operations.

Mr. LAPOINTE: No, just for their own employees.

Mr. HANSON: It allows them to assist.

Mr. LAPOINTE: It is merely for the purpose of aiding employees.

Mr. BOURASSA: They could not, under this section, organize insurance companies, so to speak, in connection with their own enterprises?

Mr. LAPOINTE: They have power to establish and support associations, institutions, funds, trusts and conveniences intended to benefit their own employees.

Mr. BOURASSA: Quite so; it is for the protection of the employees and their families. What guarantee is there that the investment of funds gathered from premiums paid by employees will be regulated according to the principles of the Insurance Act? We know of the troubles that existed before the amendment to that act. There was difficulty experienced with the old benevolent societies, including such organizations as the Independent Order of Foresters, and we know that that institution practically went bankrupt. Finally parliament decided, quite rightly I think, after the investigation in the United States, to remodel the Insurance Act and to bring practically all benevolent institutions, or at least

those governed by federal legislation, under the supervision of the Department of Insurance. Since that time, due largely to the intelligence and competence of Mr. Finlayson, these institutions have been put on a solid basis. Now, if we are to open the door to all sorts of private benevolent insurance companies connected with banks or manufacturing concerns and let them organize themselves as they wish, we run the risk of finding ourselves, five or ten years hence, in the same position as we were when these so-called mutual societies were on the verge of bankruptcy and had to be saved by special legislation of this parliament.

I am merely indicating the possible results, because I took some active interest at the time in the preparation of those amendments to the Insurance Act. I made a special inquiry in the United States; I was put in communication with the board of inquiry there which had been instituted by the government of the state of New York, and I would not like to see a similar condition occur again to the great detriment of the employees of the various companies contributing to these so-called benevolent associations.

Mr. LAPOINTE: I am sorry I have no knowledge at all of this bill. It comes under the Secretary of State, but it has been accepted by his department and also by the Superintendent of Insurance, who was interested in it.

Mr. BOURASSA: Has Mr. Finlayson expressed his approval, before the committee of the Senate?

Mr. LAPOINTE: I understand this was submitted to him.

Mr. BOYS: I should like to find out at whose instance this is put in. It is very difficult to appreciate the full effect of this amendment without having the Companies Act here to assist one. Is this a power to be given the directors with the approval of the shareholders, or is it for the directors alone? Then there is one other feature which it seems to me is a little extraordinary. In the third line of subsection 2 occur the words "shall be determined once for all each financial year." How can you determine something once for all each year? Is it the intention that the board shall deal with it say at the first meeting, and that their decision shall apply for that year, and that the following year they shall deal with it again?

Mr. LAPOINTE: They will deal with it each year, but once for all for that year.

Mr. BOYS: Of course that is only a minor matter, but I would like to know at whose instance this is being done, and whether this is a power given to directors without the consent of shareholders or whether their action has to be approved by the shareholders.

Mr. LAPOINTE: I will have to ask to have the bill stand, since I have no information.

Motion stands.

### FAIR WAGES AND EIGHT HOUR DAY

Hon. PETER HEENAN (Minister of Labour) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 49, respecting fair wages and an eight hour day for labour employed on public works of the Dominion of Canada.

Some hon. MEMBERS: Explain.

Mr. HEENAN: Hon. members will recall that on the motion for third reading of the bill the leader of the opposition offered an amendment to the last section. The old section stated that all regulations made under this act should have the same force and effect as if they had been included therein from the date of their publication in the Canada Gazette. The amendment made by the Senate is that they will have this force and effect fifteen days after they have been published.

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

## CANADIAN NATIONAL RAILWAYS

### LOAN OF $20,042,038.84 TO REFUND OBLIGATIONS OF CANADIAN NORTHERN AND MINNESOTA AND MANITOBA RAILWAY COMPANIES

Hon. T. A. CRERAR (Minister of Railways and Canals) moved that the house go into committee on Bill No. 130, respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

On section 1—short title.

Mr. CRERAR: Perhaps for the information of the house I may say that this bill was referred to the special committee on Canadian National railway estimates and considered and reported without amendment by that committee. For the information of hon. members who may not have been in the house when the bill was previously considered, I may say that it provides for the refunding of cer-

tain maturing obligations of the old Canadian Northern Railway which, of course, were inherited by the Canadian National Railways. Most of these obligations mature on June 30 of this year, with one or two maturing on October 30, and they amount to some $20,042,000. The provisions of the bill regarding the necessary financing to retire these obligations are the ordinary provisions in bills of this kind.

Mr. HANSON: Does this bill refer only to the maturing obligations of the Canadian Northern Railway?

Mr. CRERAR: Yes; they were all subsidiary companies of the Canadian Northern in Manitoba.

Section agreed to.

Sections 2 to 8 inclusive agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

## CANADIAN NATIONAL RAILWAYS

### LOAN OF $8,609,000 TO RETIRE CENTRAL VERMONT REFUNDING MORTGAGE BONDS

Hon. T. A. CRERAR (Minister of Railways and Canals) moved that the house go into committee on Bill No. 131, respecting the Canadian National railways, and to provide for certain financing in connection with certain lines of railway located principally in the state of Vermont.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

On section 1—Short title.

Mr. HANSON: This bill refers to the refinancing of the Central Vermont which is a subsidiary of the Canadian National Railways. As this railway is located wholly in the United States, I think it is due to the house and to the country that the Minister of Railways and Canals (Mr. Crerar) should state the situation with relation to it and tell us how much of the public moneys of Canada is invested in it. I think the house should be given some of the informtaion presented to the special committee. Those of us who were members of that committee understand the matter, but full information should be upon Hansard regarding this matter.

Mr. CRERAR: The object of the bill was discussed by myself very fully when it was in the resolution stage, but I will be glad to give the committee the information asked for by the hon. member. The Central Vermont railway was under the control, by stock ownership, of the old Grand Trunk Railway of Canada, the majority of the stock having been secured, as my memory serves me, well over thirty years ago. That relationship continued until the Grand Trunk was taken over and incorporated in the Canadian National system. In 1920 the Grand Trunk had to provide for certain maturing obligations amounting to $12,000,000, which was done by guarantee of the Grand Trunk, given by its board of directors, as to principal and interest of the bonds of the Central Vermont. In 1920 there were disastrous floods in the state of Vermont and the Central Vermont railway, along with other railways in that state, suffered very heavy losses. Steps were taken by the Canadian National Railways, who were then operating the Central Vermont, to have it put into the hands of a receiver, and the railway remained in that condition until January of the present year when the receivership was discharged. When the road went into receivership it was necessary, under the terms of the mortgage securing the bonds which had been guaranteed by the Grand Trunk Railway in 1920, for the Canadian National Railways to take up those bonds, which were then outstanding to the amount of $8,609,000. This matter was provided for through temporary financing, and the object of this bill is to guarantee the bonds of the Canadian National Railways and thus clear up the matter. In January of this year the road was purchased from the receiver by the Canadian National Railways for $22,000,000, and in addition to that there were outstanding $5,000,000 of receiver's certificates. As far as my information goes, that is the story of the adventure of the old Grand Trunk in the Central Vermont railway. Bonds of the Central Vermont railway will be issued and deposited with the Minister of Finance and will remain under his control and direction.

Mr. HANSON: The explanation given by the minister is very good as far as it goes, but the point I wanted to have elucidated and placed upon record is the actual amount of money this country has in the Central Vermont railway, which amount I think runs up to about $39,000,000.

Mr. CRERAR: The total advances to the Central Vermont railway through the old Grand Trunk railway system amounted to about $38,800,000; that was the total outstanding when the road went into receivership in 1927, and included the guaranteed bonds of 1920 amounting to $12,000,000, to which I referred a moment ago. When the road was taken over from the receiver, it was

taken over at a valuation of $22,000,000 plus the $5,000,000 advanced on receiver's certificates.

Mr. HANSON: In addition to the $39,000,000, there were $5,000,000 of receiver's certificates which were purchased, as I understand, by the Canadian National Railways, so that the total investment in the road would amount to something like $43,000,000. The $5,000,000 covered rehabilitation of the road due to the floods to which the minister has referred.

Mr. CRERAR: The $5,000,000 is included in the $38,800,000.

Mr. ROSS (Kingston): Has this road any connection with any other road in the United States?

Mr. CRERAR: I am not at the moment prepared to say what traffic arrangements it has with any other line in the New England states. As hon. members know, the old Grand Trunk had an interest in lines in the state of Michigan and in other western states, and this is a part of the system to carry goods from Chicago down to the New England states, those goods being carried over the Canadian National system through the province of Ontario.

Mr. McGIBBON: Are there any profits over and above the operating expenses and bonded indebtedness?

Mr. CRERAR: I cannot give that information at the moment, but as I recall, Sir Henry Thornton made the statement before the special committee that based on the showing of last year the road would be able to pay the interest on its outstanding securities and show a very fair return on the common stock held by the Canadian National Railways.

Mr. HANSON: The road has never paid anything, but there are great expectations.

Mr. CRERAR: That is quite right.

Section agreed to.

Sections 2 to 9 inclusive agreed to.

Bill reported, read the third time and passed.

## WAYS AND MEANS

### SPECIAL WAR REVENUE ACT

The house in committee of ways and means, Mr. Johnston in the chair.

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act, chapter one hundred and seventy-nine of the Revised Statutes of Canada, 1927, as amended by chapter fifty of the acts of 1928 and chapter fifty-seven of the acts of 1929, and to provide:—

1. That section eighty-six of the said act, as amended by section three of chapter fifty of the acts of 1928 and as amended by section five of chapter fifty-seven of the acts of 1929, be amended by providing that the rate of consumption or sales tax be reduced to one per cent.

2. That schedule III to this act be amended by changing the numbers of customs tariff items as follows:—

Tariff item 410 to read 406a.
Tariff item 410a to read 406b.
Tariff item 445 to read 409d.
Tariff item 445a to read 442.
Tariff item 445b to read 442a.
Tariff item 446 to read 409b.
Tariff item 446b to read 409c.
Tariff item 446c to read 409k.
Tariff item 447 to read 409n.
Tariff item 447b to read 409j.
Tariff item 448 to read 409a, 409c, 409e, 409f, 409g, 409j, 409o.
Tariff item 449 to read 409i, 431a.
Tariff item 450 to read 431.
Tariff item 453b to read 411, 411a, 411b.
Tariff item 453c to read 410l.
Tariff item 453d to read 464.
Tariff item 453e to read 440k.
Tariff item 456a to read 391a.
Tariff item 460 to read 410m, 410n, 410o, 410p, 410q, 410s.
Tariff item 460a to read 410q.
Tariff item 460b to read 410b, 410z.
Tariff item 460c to read 410g.
Tariff item 460d to read 410k.
Tariff item 461 to read 410f.
Tariff item 461a to read, iron or steel pipe, not butt or lap welded, and wirebound wooden pipe, not less than thirty inches in internal diameter, for use in alluvial gold mining.
Tariff item 466 to read 476.
Tariff item 466a to read 476a.
Tariff item 469 to read 410d.
Tariff item 469a to read 410e.
Tariff item 469b to read 410c.
Tariff item 506a to read 480.
Tariff item 591 to read 439c.
Tariff item 591a to read 439d, and that section eighty-eight of the said act be amended by changing the numbers of customs tariff items as follows:
Tariff item 86 to read 85, 89a, 89b, 89c, 89d, 90d.
Tariff item 105 to read 105e, 106a, 106c.
Tariff item 105a to read 106b.
Tariff item 106 to read 105, 105d.

3. That any enactment founded on paragraphs one and two of this resolution shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that date.

Hon. CHARLES A. DUNNING (Minister of Finance): These sections of the resolution concerning the Special War Revenue Act relate specifically to the sales tax. They provide, as indicated in the budget, for a reduction of the sales tax to one per cent. The changing in the resolution of the item numbers is done in order to bring the numbers into

conformity with the numbering which is contained in the tariff provisions. Certain items in the Special War Revenue Act under the sales tax provisions at the present time take only one-half the regular rate of sales tax and in order to carry that forward it is necessary to change the numbers to make them apply to the same items in the new tariff.

Sections 1, 2 and 3 agreed to.

On section 4:

4. That section fifty-eight, as enacted by chapter fifty-seven of the statutes of 1929, sections fifty-nine, sixty, sixty-one, sixty-two and sixty-three be repealed and provision made that there shall be imposed, levied and collected upon every change of ownership consequent upon the sale, transfer or assignment of any share of stock of any association, company or corporation, or any bond, debenture of debenture stock other than a bond, debenture or stock of the Dominion of Canada or of any province of Canada, an excise tax as follows:—

(a) Three cents for every one hundred dollars or fraction thereof, of the par value of a bond, debenture or debenture stock;

(b) Five cents for every share of stock sold or transferred at a price over one hundred and fifty dollars per share;

(c) Four cents for every share of stock sold or transferred at a price over seventy-five dollars per share but not more than one hundred and fifty dollars per share;

(d) Three cents for every share of stock sold or transferred at a price over fifty dollars per share but not more than seventy-five dollars per share;

(e) Two cents for every share of stock sold or transferred at a price over twenty-five dollars per share but not more than fifty dollars per share;

(f) One cent for every share of stock sold or transferred at a price over five dollars per share but not more than twenty-five dollars per share;

(g) One-quarter of one cent for every share of stock sold or transferred at a price of one dollar to five dollars per share, but not more than five dollars per share;

(h) One-tenth of one per cent of the value of every share of stock sold or transferred at a price less than one dollar per share;

that the said tax shall be payable in excise tax stamps by the vendor, transferor or assignor;

that every person liable to collect or pay the said tax shall keep records and books of account;

and that any enactment founded on this paragraph four shall come into force on the first day of July, one thousand nine hundred and thirty.

Mr. HANSON: The minister might be good enough to give the committee the reasons for the recantation in connection with this tax, just what happened as a result of the legislation of last year and the reason for the change.

Mr. DUNNING: The tax as introduced last year produced during its period of operation quite a substantial revenue, but it became apparent in operation that it bore more heavily upon low value shares than upon high value shares. Representations were made during the year by those interested, and the department made a careful investigation, having in mind that what was done last year was done in an effort to arrive at a method of levying the tax which would be practicable. It will be noticed that in order to reach the point where the low value shares are equitably taxed, it has been necessary to adopt both methods in part; that is, partly the method which was in effect prior to one year ago and partly that which is in effect until the budget becomes effective. For instance, on the small value shares it will be noticed that the percentage method is applied in these proposals in order to get the tax small enough to bear any reasonable relationship to the value of the shares which are being dealt with. That was the system which was formerly objected to as applied to the whole list, and which last year was done away with, but which, on being changed, produced the situation that the low value shares were taxed proportionately more than those of high value. The grading in this manner is contended to be far more equitable.

Mr. BOYS: Could we have opposite the various paragraphs numbered from (a) to (h) the figures showing the tax which prevailed before? For instance, in paragraph (a) the tax is now three cents. If we could have opposite that the previous tax and so on down the list, we would at once see what was being done.

Mr. FRASER: Could the minister indicate what amount of revenue was collected under this tax to the end of the fiscal year?

Mr. DUNNING: I am embarrassed at the moment because I have under my hand nothing more than what my friends have. I have sent for my material.

Mr. HANSON: Would the minister then let this stand and go on to the next resolution relating to the Income War Tax Act?

Mr. DUNNING: We could do that if it suits the convenience of the committee. I am sorry I have not under my hand the material required to answer the question.

Mr. McRAE: Would the minister at the same time ascertain the approximate expense involved in checking up this tax in the various brokerage houses throughout the country, the cost of superintendence?

Mr. DUNNING: I can give that so far as the government is concerned. I think I shall have that information available when I get my material.

Section stands.

INCOME WAR TAX ACT

Resolved, that it is expedient to amend the Income War Tax Act, and to provide—

1. That the corporation rate of tax be paid in respect of undistributed income when such undistributed income is received by a corporation on the sale or winding up of another corporation.

2. That the income of cooperative companies and associations be exempt from income tax.

3. (a) That an exemption of $500 be granted in respect of dependent parents, grandparents, brothers, sisters, sons and daughters, incapable of self-support on account of mental or physical infirmity, not otherwise presently provided for.

(b) That donations, to the extent of ten per centum of the net income of the taxpayer to any church, university, college, school or hospital in Canada, be allowed as a deduction.

(c) That government or other like annuities to the extent of $5,000 be exempt from income tax.

4. That corporate rate of tax be imposed on family corporations in respect of the interest therein of non-resident shareholders.

5. That directors, officers or employees of a Canadian company who reside abroad shall be taxable in respect of the dividend and interest income received from the company in which they are employed.

6. That any enactment founded on the foregoing resolutions shall be deemed to have come into force at the commencement of the 1929 taxation period and to be applicable thereto and to fiscal periods ending therein and to subsequent periods, except any enactment founded on resolution number one hereof, which shall be deemed to have come into force at the commencement of the 1930 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods.

Mr. KAISER: In regard to section 3 (a), might I ask the minister to consider extending that exemption of $500 to at least two collateral cases? An exemption of $500 to a man who takes care of his brother, sister, father, or mother is appropriate, but is it not more worthy of recognition by the state that a man should take care of his wife's sister and his wife's mother? I suggest that this $500 exemption be extended to the sister-in-law and her mother. It is all right for hon. gentlemen to smile. I understand the meaning of the smile. Hon. gentlemen are smiling at the idea of a man doing anything for his mother-in-law. But I say that it is a very creditable action on the part of a man earning a salary to take care of an invalid sister of his wife or the invalid mother of his wife, and I would ask that the minister very carefully consider extending the exemption to cover these cases.

Mr. HANSON: I suggest, Mr. Chairman, that you read the whole resolution, and then we can take it up section by section.

On section 1—That the corporation rate of tax be paid in respect of undistributed income when such undistributed income is received by a corporation on the sale or winding up of another corporation.

Mr. HANSON: I direct the attention of the minister to what after all is a technical matter, but inasmuch as we are altering the law in relation to undistributed income, I desire to call his attention to a situation that has arisen. Section 1 reads:

That the corporation rate of tax be paid in respect of undistributed income when such undistributed income is received by a corporation on the sale or winding up of another corporation.

Now if hon. gentleman will refer to section 6 they will see that it states that section 1 shall be deemed to have come into effect at the commencement of the 1930 taxation period. That is, it is dated back to the 1st day of January, 1930. As the resolution stands, the provisions of section 6 make the provision of section 1 retroactive in effect. That is my first objection. Unless care is taken in respect to the question of undistributed income in the bill, this provision will be retroactive to the beginning of time in the case of undistributed income. That is hardly fair.

I wonder if the minister, who of course is familiar with the law, knows that under the present act, section 19, it is provided that on the winding up of a company the distribution of the assets in any form shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income. That is to say, on the winding up of a company undistributed income is taxable as such when it goes into the hands of the shareholders. Thus if a company sells its assets for cash and distributes the proceeds to the shareholders, they are taxable to the extent that the balance sheet shows them to be part of earned surplus. That is the law to-day. But the present act provides that dividends paid to an incorporated company by a company incorporated in Canada, the profits of which have been taxed under the act, are not liable to taxation. That is, where the dividends of a company the shares of which are owned by another company are paid to the shareholders of that other company. That is provided by section 4(n) of the present act. It is perfectly legal now for a company, instead of selling its physical assets, to sell its issued capital stock to another company. Accordingly, instead of buying assets, shareholders of a company which is selling out can be protected by buy-

ing their shares. They then get the total price of their assets including surplus in the form of the price of their stock just as though they had sold their stock individually on the market. The purchasers can then have a new company incorporated to which the shares of the original company are transferred. The new company can then take the assets of the original company, by distribution in winding up, and under the provisions of section 4, paragraph (n) of the present act, the new company is protected from liability to income tax on the earned surplus. It may be said that by that method the shareholders of the selling company escape payment of income tax on undistributed and earned surplus or income; but it is a perfectly legal transaction, and to make this provision that we are now dealing with retroactive is, I submit, wholly unfair.

I can say for the minister's benefit and assistance that I have taken occasion to discuss this matter with the income tax authorities, and while they admit that it bears the construction which I have indicated, they say that it was not the intention of the department to go that far, but to go back only to the 1st day of January, 1930. But unless the bill is properly worded, to provide against the contingency I have mentioned, there will be very grave injustice done.

Even to go back to the beginning of 1930 is, in my opinion, not quite fair because that too has this retroactive feature. I would suggest to the minister that instead of making this retroactive to the beginning of the 1930 taxation period, he provide in the bill that it take effect from the beginning of the next taxation period, the beginning of the 1931 period, or the end of the 1930 taxation period. In that way the government and the department will not be open to the charge of passing retroactive legislation, which on principle is always bad, and which may bear hardly in a given case.

I am not objecting to the principle of the amendment to the act, because in principle an undistributed income has as much right to pay taxation as distributed income, but it has not been made taxable in the past and it has been perfectly legal to do what I have indicated has been done; and to make this provision retroactive now would create an injustice in existing pending cases, and there are cases existing such as I have indicated where the entire issue of capital stock of one corporation is being sold to another and title being taken in a holding company. That is the objection to this legislation. The objection is chiefly to the retroactive feature. I have no desire to see shareholders escape paying taxation if it is levied in a proper way, but I submit that the department in making this provision retroactive is not proceeding in quite a proper way.



My position is plain. I am quite sure the officers of the income tax branch understand the matter very thoroughly, perhaps much more thoroughly than I do myself. I think if the minister will consult them they will agree with me that the objection is to the retroactive feature and not to the principle underlying the taxation in question. If the minister will make this effective from the beginning of the next taxation period I do not think anyone can have the slightest objection to it. Those who have transactions pending will not be injured. They have proceeded under the present law, and I do not think it is quite fair that the law should be changed and made to relate back so as to cover pending transactions.

Mr. DUNNING: The intention of this section of the resolution is to overcome the scheme of avoidance of taxation, which as my hon. friend from York-Sunbury (Mr. Hanson) states, has the benefit of legality at the present time, although certainly the spirit of the law does intend that that taxation shall be paid. A legal method has been found of evading it in this case, and the amendment is designed to prevent that in the future and to ensure that taxation will be paid upon undistributed income of companies when they are absorbed by other companies. My hon. friend is afraid of the retroactive feature?

Mr. HANSON: Yes.

Mr. DUNNING: I can assure him that the bill will not go back of this calendar year; but it is intended to embrace all transactions which take place within this calendar year, which is the year of taxation for all income tax payers. So far as putting its operation forward to the beginning of 1931 is concerned, that would be simply to invite those who have any intention at all of evading taxation under the present law to get their schemes matured in 1930, and I am sure my hon. friend would not want that to happen. I can see no harm whatever in making the amendment apply to the present taxation period.

Mr. HANSON: The minister admits that it would not be right to go back beyond the present taxation period, but I am sure the gentlemen who are sitting with him will agree with me that as the resolution reads it is retroactive as to past years.

Mr. DUNNING: That is a matter for the lawyers to settle in the terms of the bill. I can assure my hon. friend that it is not our policy to go back beyond the calendar year.

Mr. HANSON: The minister does not say so in so many words, but he rather suggests that there is something immoral on the part of my profession or of the accountant's profession in studying this act and devising ways and means—not to enable their clients to evade payment of taxation, but to prevent their having to pay taxation. Perhaps I am going a little too far when I say he is suggesting there is something immoral about it. I think it is quite proper. To my mind it is the duty of a lawyer to point out to his clients their rights under taxation. Undoubtedly it is quite legal to do what is being done to-day and what has been done in the past in this connection. I suggest to him that the immorality—perhaps that is a little too strong a word to use in the premises—consists in making the amendment retroactive. It may be said that there has been a loophole in the law. Well, I assume the law was designed to cover the cases the department had in mind at the time. It has not done so. Now circumstances crop up which suggest a change in the law. With the principle of that I am not finding any fault, because I like to see everybody pay his just share of taxation. But I do object to the retroactive feature, and if the minister will give further thought to the matter I think he will agree with me that it is a very bad principle. It is to be condemned in almost any class of legislation, and in taxation legislation in particular. I have always raised objection to making a tax retroactive. People have gone along, legally, honestly carrying out their business transactions on the assumption of having to pay certain existing taxes. It is a rude awakening for them to find that the legislature by an arbitrary provision—and I am not using the word "arbitrary" in any improper sense—cuts away the ground from under their feet. This amendment is perfectly all right and will receive my support if the minister omits the retroactive feature. I think the minister understands my point fully. I am pleased that the amendment will not be effective beyond this taxation period, but I think he ought to make it apply to the period beginning with 1931. I may say frankly to the minister that I have no clients interested, nor am I personally interested in the matter, but a professional friend of mine who is very much interested has drawn the matter to my attention. Hence these remarks.

Mr. DUNNING: I will not attempt to follow my hon. friend into a discussion whether finding a hole in the law is moral or immoral. The fact of the matter is, as he himself acknowledges, there was a loophole which enabled parties to escape what I believe to have been the manifest intent and spirit of the act, while not its legal intent. Now we are proposing to plug that hole. It was never intended to make the amendment retrotractive so far as past years are concerned. I am not conceding anything to my hon. friend in that particular, because, as I say, it never was the intention. Retrotractive taxation would be decidedly unwise, and I agree with him as to the unsoundness of it. As to the application of it, however, to this taxation period from the first of January 1930, I regret I cannot follow his objection. I think it is quite proper to make the amendment with respect to taxation of undistributed income apply to the whole of this taxation period, which, as hon. members know, commences from the first of January in each calendar year.

Mr. HANSON: The minister has admitted all my major premises, but he refuses to apply them. He admits that retrotractive legislation is bad, almost immoral—I do not know that he uses that word.

Mr. DUNNING: No.

Mr. HANSON: Yet he wants to apply that principle to this taxation period. The minister is not consistent.

Mr. DUNNING: I am trying to be just.

Mr. HANSON: I would not say the minister is not trying to be just, but he is not logical, he is not consistent. Of course, I may say that the minister has been open to that charge on a good many occasions in relation to this budget, and this is just one more example of his inconsistency—in fact a very minor one in my judgment. But I do suggest that if he admits the principle for which I contend, then to be logical and to be absolutely just he should have this amended provision take effect, not at the beginning of this year, but at the end.

Section agreed to.

On section 2—That the income of cooperative companies and associations be exempt from income tax.

Mr. HANSON: Does this arise out of the litigation in relation to the wheat pool?

Mr. DUNNING: No.

Mr. HANSON: There was litigation, was there not, between the department and the wheat pool over the question of payment of income tax?

Mr. DUNNING: Yes.

Mr. HANSON: What was the decision?

Mr. DUNNING: It was decided against the department by the Supreme Court of Canada.

Mr. HANSON: That is exactly what I thought was the case. Is the litigation ended?

Mr. DUNNING: The litigation is ended.

Mr. HANSON: If that be so, and you have the decision of the highest court of appeal in this country, why the necessity of this legislation?

An hon. MEMBER: There are other cooperatives.

Mr. HANSON: I know, but the principle is there established.

Mr. DUNNING: Oh no; it was a question of contract, and the interpretation of a contract. It did not bear specific relationship to the nature of the organization. The intention here is to exempt bona fide cooperative associations and companies from income tax. I can better discuss the details when the bill is presented, and hon. members will have the proposed sections before them. It is difficult to make a statement when the bill is not before the house, but I may say that a bona fide cooperative organization shall be exempt entirely from the provisions of the Income War Tax Act. I may read what is contained in the bill, although hon. members will understand that the bill cannot be introduced until the resolution has been adopted by the house.

Mr. HANSON: We are at a great disadvantage in not having the bill before us.

Mr. DUNNING: What I shall now read will not prevent consideration of the point at a later time. Section 4 of the said act is amended by adding thereto the following paragraphs:

(p) The income of farmers', dairymen's, live stockmen's, fruit growers', poultrymen's, fishermen's and other like cooperative companies and associations whether with or without share capital organized and operated on a cooperative basis, which organizations—

(a) market the products of the members or shareholders of such cooperative organizations under an obligation to pay to them the proceeds from the sales on the basis of quantity and quality less necessary expenses and reserves·

(b) purchase supplies and equipment for the use of such members under an obligation to turn such supplies and equipment over to them at cost, plus necessary expenses and reserves.

[Mr. Dunning.]

Such companies and associations may market the produce of, or purchase supplies and equipment for non-members of the company or association provided the value thereof does not exceed 20 per centum of the value of produce supplies or equipment marketed or purchased for the members or shareholders.

That means that any cooperative organization falling within the groups there mentioned or other like groups may do business for its own shareholders provided that the arrangement of the business is to return all proceeds less the necessary reserves and expenses to those who contribute the commodities or, in the second place, in the case of the purchasing association, to those who purchase the goods.

The question arises as to how we shall decide as to the qualifications, because to a limited degree some of these organizations do business with other than their own members. We could not say that it would cease to qualify because it sold or bought from one person who was not a member, and it was decided that 20 per cent of the value would represent a fair dividing line. Any organization which does 80 per cent of its business with its own members under the plan of returning to its members the whole proceeds less expenses and reserves will qualify for exemption from income tax. Any organization which does more than 20 per cent of its business with those other than its own members will not qualify.

Mr. HANSON: I do not object to the principle of exemption as applied to the purely cooperative associations. I think it would be as fair to exempt such associations as it is to exempt provincial commissions such as the Hydro Electric Power Commission of Ontario. There is a very strong feeling in certain sections of the country that this commission should not be exempted, especially where it operates in competition with privately owned corporations. I have no doubt that to a lesser degree there is the same feeling with respect to cooperative companies. I do not think however that the same principle is applicable where they are trading outside of their own immediate constituencies. I would be curious to know why the arbitrary figure of 20 per cent was taken; it seems to me that as these cooperative companies grow they spread out and make money; they become trading corporations and in principle they cease to be cooperative associations. Where they become purely merchandizing companies and the cooperative principle is disregarded, they ought to pay income tax.

Mr. DUNNING: That is right.

Mr. HANSON: Why were the arbitrary figures of 20 per cent and 80 per cent taken; after all, they are only arbitrary figures?

Mr. GARDINER: I would like to ask the minister if this clause in the bill would apply to cooperative stores operating on the same basis as the Rochdale plan in the old country.

Mr. DUNNING: Yes. I think we could have a more intelligent discussion if hon. members had the bill before them.

Mr. GARDINER: If the minister answers my question at a later time I shall be satisfied.

Mr. DUNNING: The only qualification is that they must do 80 per cent of their business with their own members, and return to those members a certain amount on a commodity basis, less expenses and reasonable reserves. I must say that it was difficult to arrive at the figure of 20 per cent. I was interviewed by representatives of cooperatives from coast to coast. The cooperative movement operates in a variety of ways; there are different bases of operation. For instance, the dairy men of the Fraser valley have a very prominent cooperative organization, and it differs entirely from those of the wheat pools or cattle pools of the prairies. As a matter of fact, the cattle pools differ from the wheat pools. For this reason it was necessary to find some common ground upon which all of those essentially bona fide cooperative organizations could be dealt with without at the same time paving the way for the incorporation of what might be called bogus cooperatives created for the purpose of evading the income tax. I do not think there is any danger in the 20 per cent leeway, because no bogus organization could possibly gain anything. It would have to do 80 per cent of its business with its own members or shareholders, and it would have to return to them the whole of the commodity value less operating expenses and reserves. In that arrangement there would be no temptation to create bogus cooperatives to evade the tax. I have given considerable personal study to this matter, and I am satisfied that the provision I have stated will meet the requirements of the case. There was only one exception, and that was the difficulty which arose in connection with certain cooperative banks in the province of Quebec which undoubtedly are of a truly cooperative nature, and are causa populi. The bill will provide for the exemption of such institutions. I doubt very much whether they would have to pay an income tax in any case under the present law, because they do not have profits. Being purely cooperative institutions they should come within the scope of the exemptions.

Mr. FRASER: Does the minister anticipate any difficulty in arriving at the figure of 20 per cent with regard to each of the cooperatives? How will he determine that 20 per cent or how will he compel companies to keep books so that an intelligent abstract may be made from the records to ensure that there is 80 per cent being sold to their own members?

Mr. DUNNING: My hon. friend knows, of course, that every cooperative company must keep actual records of its dealings with its own members, for the purpose of distribution of its commodity payments.

Mr. FRASER: It should, but does it?

Mr. DUNNING: If it does not then it cannot be a truly cooperative company; it must do so in order to qualify and the volume of that business deducted from the total volume of business done will immediately determine whether or not more than 20 per cent of the total volume was done with nonmembers. I do not anticipate any difficulty, and I may tell my hon. friend that this British Columbia institution, because of the peculiar nature of its foundation and organization, gave me more difficulty in devising this plan than any other single institution. I do not think he need have any fear about it.

Mr. FRASER: I have not any doubt at all about the institution to which the minister refers; I am satisfied that it will absolutely meet the requirements of the proposal. What I am thinking about are the small cooperative stores, merchandising stores calling themselves cooperative, of which I know a dozen in different places, which actually compete in these small towns with the independent or corporate stores. How are you going to get these people to determine the exact relationship of that 80 per cent and 20 per cent? I anticipate difficulty, whether or not the minister does; I can see a great deal of difficulty ahead.

Mr. DUNNING: As a matter of fact they will have to prove that they are entitled to exemption. That is the position. Any bona fide cooperative will have no difficulty at all in proving itself to be a cooperative. It is only the person who is not bona fide who will have any difficulty, and I am not very much worried about him.

Mr. HANSON: If your legislation is framed properly you will put the full onus on these applicants.

Mr. DUNNING: Certainly.

Mr. FRASER: You might go a little further in all this legislation and compel better records to be kept throughout the whole of the Dominion of Canada. If you would compel more accurate records to be kept in the accounting of 50 per cent of these outside stores you would probably collect a great deal more revenue than you get at present.

Section agreed to.

On section 3, subsection (a):

That an exemption of $500 be granted in respect of dependent parents, grandparents, brothers, sisters, sons and daughters, incapable of self-support on account of mental or physical infirmity, not otherwise presently provided for.

Mr. HANSON: What is the minister going to do for the mother-in-law?

Some hon. MEMBERS: Oh, oh.

Mr. HANSON: We may laugh about this, but it is an important principle. Since the hon. member for Ontario (Mr. Kaiser) brought it up, several cases have occurred to me where this extension might be properly made. As a matter of fact I think the benefit of the exemption should be extended to all actual dependents, but I would put the onus on the taxpayer to show that they were actual dependents, and I would not limit them to particular classes of relations. The minister must know cases, as I think we all know them, of dependents where there was no blood relationship, and it does occur to me that statutory exemption should be given in the case of all bona fide dependents. I would urge that consideration on the minister now.

Mr. COOTE: Under this section I would like to direct the attention of the minister to a little anomaly in regard to these exemptions, and I want to do it on these resolutions because it is possible that he might decide to fix it up in the bill. On the front page of the income tax return I find the following statement:

If the statutory exemption of $3,000 is claimed by an unmarried person, widow or widower, state whether claim is made by reason of (a) being a householder as defined by paragraph (f), section 2 of the Income War Tax Act, or (b) being the support of dependent relatives as provided by subsection 1 (c), section 5 of the act.

[Mr. Dunning.]

The definition of a householder is given further down, as follows:

A householder within the meaning of section 2, of the Income War Tax Act, is an individual who at his own and sole expense maintains a self-contained domestic establishment (i.e., a dwelling house, apartment, or similar place of residence containing at least two bed rooms, in which residence amongst other things the taxpayer as a general rule sleeps and has his meals prepared and served) employing therein on full time a housekeeper or servant. . . . .

I wish to direct the attention of the minister particularly to those last words, "employing therein on full time a housekeeper or servant." I had a case last year which I took up with the inspector of taxation at Calgary, the case of a widow who was maintaining her place of residence as set out here, but who could not afford to engage a full time servant. There are other widows getting the exemption of $3,000 because they can afford to have a servant employed full time. There are many widows left with a certain type of house to keep up, and if the act is being administered as it reads here many of these widows who should have the exemption of $3,000 the same as the widow across the street who can afford to keep a full time servant, do not receive it. I think this was an oversight in drafting the act. Reference is made in this section to widowers, and perhaps the case of the widow was not fully considered. I think some slight change should be made so that the widow who cannot afford to have a full time servant but who otherwise complies with this definition of a householder should not be put in a different position from the wealthy widow who does keep that full time servant. I think if the minister would give that point consideration he might bring in the necessary amendment in the bill in order to correct that situation. Surely it is not right to discriminate in that way in favour of the wealthier widow.

Mr. DUNNING: All points of that kind can be considered when the bill comes in, but of course I have nothing to do with the administration of the act. I am concerned only with the taxation features of it, and I hope the Minister of National Revenue will be present when we are discussing the bill, when administrative details may be gone into more fully. However, I may say to my hon. friend that there was some abuse prior to the institution of that regulation to which he has just directed my attention, due to the fact that in apartment houses a number of individuals taxable as single persons, by cooperating together and hiring one servant for the whole outfit, became householders and

thereby acquired the benefits of married persons as far as exemptions were concerned. I cannot promise that it can be changed. Always in changing an act of this kind to meet some individual and special case of hardship, you open the way to these ingenious people who are looking for a way to avoid taxation, and very frequently you do more harm than good.

Mr. HANSON: Would the minister briefly tell us the present exemptions in order that we may see the proposed changes?

Mr. DUNNING: The present exemptions given single persons, in addition to the statutory exemption of $1,500 which they get in any case, are as follows: For a dependent parent or grandparent, daughter or sister, son or brother under twenty-one years of age, or incapable of self-support, exemption is granted. A single person gets that now, a single person or a widower.

Mr. FRASER: A single person gets exemption for his daughter?

Mr. DUNNING: There may be some debate as to whether or not a widower is single; I imagine most of them are quite sure they are single, but at the same time they may have daughters or sons. Of course in that case the qualification is that they must be under twenty-one years of age or incapable of self support. That is one of the reasons for the amendment we are now proposing in this connection, for as things are now a single person supporting his parent or any of the other relatives stated can get an additional exemption, but a married person doing the same thing, under the law as it was prior to the budget, cannot get exemption for that support.

Mr. SPENCER: How much is allowed for each dependent?

Mr. DUNNING: Five hundred dollars. A widower with a son or daughter is allowed $500 for each child under twenty-one years of age, or if over twenty-one years of age, when incapable of self support on account of physical or mental infirmity. If a single person, including a widow or widower, he or she is allowed a further $500 for each child actually supported whether of his or her parentage, when under twenty-one years of age, or if over twenty-one years of age when physically incapable of self support, then the allowance is made to the parent only. Under the old law, a child under twenty-one years of age was considered as an infant, while a child over twenty-one years of age was not considered in that sense.

By this bill, a single person, not a widow or widower, who is supporting two or more dependents of the following classes, parent, grandparent, brother or sister, would be exempted an additional $500 for each such person, with one exception the one in respect of whom he is already receiving an exemption of $1,500. Those are the present exemptions.

The present marital exemption—I do not like that phrase, but that is the one used—is $3,000 or $1,500 if the husband and wife are in receipt of an inome of $1,500. The present allowance of $500 is given in respect of the following dependent persons; each child actually supported, whether or not of his or her parentage, under twenty-one years of age, and each son or daughter over twenty-one years of age dependent on the taxpayer because of physical or mental infirmity. By this bill a married person will receive an additional allowance of $500 for each parent, grandparent, brother or sister dependent upon the taxpayer because of physical or mental infirmity.

Mr. HANSON: The extension is as to the collateral brother or sister?

Mr. ROSS (Moose Jaw): Would it be possible for the minister to make a statement regarding income tax returns to be made by farmers? I have received letters from farmers all over the country, many of whom are not in receipt of a taxable income but who are required to make a return. They want to comply with the law but many of them are afraid to make out the return themselves and they find it necessary to employ a lawyer or notary. This additional expense is put on the farmer in order to make a return which is absolutely unnecessary and which must only clutter up the files of the department. Would it not be possible for the minister to make a statement of some kind in order to clear up this matter in the minds of the people?

Mr. DUNNING: As I stated a moment ago, I am not in charge of the administration of the act, but I feel reasonably sure that it would be possible to secure from the department a statement setting out clearly the conditions in this regard. Every effort is made to avoid the harassing of people who have no taxable income, and improvements in administration along that line have taken place during the past year. I would suggest an interview with the departmental officials as being the best way of clearing up this difficulty.

Mr. ROSS (Moose Jaw): Would it not be possible to get the minister in charge of this act to make such a statement in the house so that it would go out to the country?

Mr. DUNNING: I can suggest that to him.

Mr. VALLANCE: Would it not be possible to make an affidavit that the individual has no taxable income?

Mr. HANSON: That would be making the taxpayer the judge.

Mr. FRASER: He is the judge now.

Mr. DUNNING: I am afraid an affidavit would hardly meet the case.

Mr. VALLANCE: Is there any form in existence to-day which would meet the situation?

Mr. DUNNING: The officers of the National Revenue department advise me that there are forms at present in existence which would meet the situation, but I think careful inquiry should be made of the department itself.

Mr. KAISER: Will the minister consider the extension of these exemptions to cover a man's wife's relations as well as his own?

Mr. DUNNING: Before answering that, I would like to have had experience in operating this act. Every time any concession is made the question always arises of granting further concessions, but I would prefer not to go any farther at this time.

Mr. COOTE: Because of the answer which the minister gave me, I do not believe he quite got my point. There is a principle in the act which I think should be removed, entailed in the definition of householder. A widow who is able to afford a full-time housekeeper receives an exemption of $3,000, but the widow who cannot afford to employ a full-time housekeeper receives an exemption of only $1,500. I do not think that the answer which the minister gave me is entirely applicable to this case, and I would suggest that this matter should be given consideration before the bill is introduced. I think the point could be covered easily by a small amendment.

Mr. DUNNING: Can my hon. friend suggest an amendment which would have the effect of meeting his point in connection with a wiodw so situated and which would not at the same time lead to wide abuse? I am quite frank in saying that I do not think it can be done.

Mr. HANSON: There is another matter to which I think consideration should be given, that of a child over the statutory age who is still being educated by his parents. We know of the sacrifices which are often made in order to send children to colleges or institutions of higher education, and I think this is a case which deserves special consideration in the matter of exemptions. I would like to have the department consider this matter in addition to the others which have been mentioned.

Reverting to the question raised by the hon. member for Ontario (Mr. Kaiser), I think there is more to this matter than the minister is willing to admit at the moment.

Mr. DUNNING: I do not say that there is not a lot in it.

Mr. HANSON: There are many cases where the relations of the wife are an absolute burden on the taxpayer, and he should be entitled to exemption in those cases as he is to exemption for his own parents or grandparents.

Mr. COOTE: In reply to the minister, I am sure that with the legal talent which they have in the department, they could easily find the proper words and definition to cover my point.

Mr. DUNNING: The solicitor of the income tax branch of the Department of National Revenue will be very pleased to discuss that point with my hon. friend in order to see if a solution cannot be found.

Section agreed to.

On section 3 (b):

(b) That donations, to the extent of ten per centum of the net income of the taxpayer to any church, university, college, school or hospital in Canada, be allowed as a deduction.

Mr. WOODSWORTH: I have representations from leading citizens of Winnipeg with regard to this paragraph and they would like to have the exemption extended to cover a type of organization which has developed in my city and which, I think, exists in some other cities throughout the country. I refer to the community fund which is a trust administered in the interests of various charities in the city and which is entirely for the benefit of the necessitous people of the community. In many ways it is, in my judgment, a much better type of organization than a church or any sectional charity; in fact, it covers the whole community. Apparently, however, no provision is made for a community fund of this character. A little while ago the minister asked for some sort of amendment that would cover the case. I am not quite sure whether this would cover it, but it has been suggested in this instance. In

chapter 57, 1927 Manitoba statutes, dealing with exemption of donations to charity from succession duties, there is this definition:

Charitable institutions or organizations having for their object, the care, protection or relief of necessitous men, women or children.

If the law officers at the disposal of the minister cannot devise a suitable amendment, we might follow this phrase from the Manitoba statute.

Mr. DUNNING: That would be wide enough for my hon. friend's purposes, but it would not be wide enough in any sense to meet the representations that have come to me.

Mr. WOODSWORTH: It might cover this particular community fund and I would urge that such a fund as I have mentioned is just as deserving of consideration as any church or school fund.

Mr. HANSON: I think the hon. member is absolutely right. If the minister is going to open the door, this list is altogether too narrow. I have in mind other institutions such as the Victorian Order of Nurses, the King's Daughters, which in my city maintains a home for the indigent aged people who are taken care of in most cases by gifts from wealthy friends and relatives which make it possible for these people to enter such homes. If the minister is going to grant this exemption, he should cover the whole field. I am not opposed to the exemption; indeed, it was urged upon the government by this party many years ago in the house, and I suggest to the minister that if he is adopting the principle, the exemption list is not wide enough because the church is not the only avenue through which charitably disposed citizens use their funds. There are nowadays so many of these bodies that they are almost numberless and if the minister is going to depart from the principle that has heretofore obtained, the list should be extended. The whole question should be reviewed by the minister having regard to what representations have been made to him, because I have no doubt representations have been made to the department by almost every institution in Canada.

Mr. BOYS: What does the term "donation" mean? Does it mean a contribution as well as a distinct gift?

Mr. DUNNING: Any free offering which is receipted for.

Mr. BOYS: To make my question quite clear, I imagine it means what I think it does, and probably when we have the legislation before us we shall know better. One can understand a donation generally might mean a gift of $100 or $500, apart and distinct from an ordinary contribution from Sunday to Sunday. Is it intended to cover such contributions or only straight gifts?

Mr. DUNNING: Anything which is receipted for. In many churches the organized method of giving is by the envelope system which involves machinery whereby the necessary proof of the gift can be adduced, but I am afraid it would not cover the quarter or whatever it is that is placed on the collection plate, because there would be no means of demonstrating that such an amount was given.

Mr. BELL (St. Antoine): I agree entirely with what the hon. member has just said regarding donations of this character. This is a new paragraph covering donations to churches, universities, colleges, schools or hospitals. We might as well take into account the fact that the institutions that are mentioned are going to exist no matter whether donations are made to them or not. If this paragraph is being introduced for the purpose of exempting donations, there is every reason why charitable and social agencies should be included, especially such institutions as exist in Montreal, Toronto, Winnipeg, London and other large cities in Canada. I am going to ask the minister to consider this matter very seriously, because he has only one answer to make to the fact that such exemptions are not granted of donations to these social agencies, and that is that under the act it is impracticable to check up such donations. The reply to that is that in the United States Income Tax Act provision is made for such exemptions as we are trying to urge upon the minister. I would point out that in Montreal lay organizations look after much of our Protestant charity work. I would ask therefore to add them to the list. It has been stated to me that in Montreal the Roman Catholic Church itself looks after about 95 per cent of its charitable work. Everybody knows and realizes that donations to churches whether Roman Catholic or Protestant, are always necessary and important and undoubtedly strong recommendations have been made to the minister that these charitable and social agencies should also be included in the list of exemptions for donations. If he wants to go into the matter I have a memorandum prepared, but I should like to hear from him just why he cannot see his way clear to include these social agencies. As the hon. member for York-Sunbury has explained, if the paragraph is left as it is, the tendency

will be for donations to be made to churches and other institutions such as the Victorian Order of Nurses, Boys' Welfare, Montreal Hygiene Committee, which does social settlement work for boys and girls, the Social Hygiene Council and the Anti-Tuberculosis Association are all going to suffer. It is going to be harder to secure donations for those institutions which are banded together for the purpose of economy and which comprise in Montreal some thirty agencies or more. Some reasonable exemption should be given to those very necessary institutions. Last year in Montreal three-quarters of a million dollars were raised by the most prominent citizens of that city who gave their time for a couple of weeks, going out on a drive simply for the purpose of relieving their fellow men and carrying on the necessary charitable work throughout the year. Surely, instead of discriminating against these institutions, they should be encouraged and donations to them should be exempt.

Mr. McGIBBON: The hon. member for St. Antoine has said just what I was about to say. I do not think that the minister has gone far enough, although I quite agree with him in the proposals he has made. After all, it is the rich people who benefit mostly from the universities, and it is these institutions which receive the greatest amount of government support. Those of us who come from the rural parts know how great the demands for charity are in the more or less poor districts, and if we have to go out and solicit funds for any charitable object whatsoever under the handicap which this bill places upon us, the cause is going to suffer. If the minister cannot go the whole way, I think he should reverse his process and allow the universities, colleges and these other institutions, which after all are largely endowed or are receiving government support, and which find it easier to collect money from the public, to stay as they were, and exempt these other institutions which are more for the poor and are more or less dependent upon the public, because those behind these institutions have the greatest difficulty in getting support. I think the minister should be commended for going as far as he has, but I do feel that he has left out the most deserving class in the community; and if he cannot include them, I would suggest that he subsitute them for the institutions he has on his list.

Mr. DUNNING: There is much merit in the suggestions that have been put forward. The difficulty, of course, is that we have no experience as to how a thing of this kind will work out. I must say that I have been astonished at the extremely wide range of activities which have been presented to me for consideration. In fact, any ideas that I had upon the desirability and practicability of immediately extending this provision have been dissipated by the very wide range of activities which have been brought to my attention as being properly qualified to be included. One of the pleasant features has been some communications that I have received indicating that as a result of this, scholarships for poor boys will be established in certain of our universities. People already are thinking in those terms.

Mr. McGIBBON: How could it be done?

Mr. DUNNING: The donation may be for the specific purpose of establishing a scholarship for poor boys. Nevertheless it would be entitled to exemption under this clause.

Mr. McGIBBON: How would you define a poor boy in the law?

Mr. DUNNING: It would be anybody. I was simply stating that I have been advised of that development.

Mr. WOODSWORTH: Is that consistent? If we can establish a scholarship for anybody and the money devoted to that purpose is to be exempted, should you not exempt the amount that may go directly to feed the starving?

Mr. DUNNING: So far as hospital activities are concerned, representations have been made regarding the Red Cross. Many of us are familiar with the work that the Red Cross is doing in connection with their hospitals. Donations made to the Red Cross for their hospital work will be entitled to exemption. Take the institutions which exist in many places for crippled children and for those who are unfortunate in one way or another. They may be either schools or hospitals, treating either the body physically or ministering to the mind in some sort of school.

Mr. BOYS: What about children's shelters? Would they come within the categories mentioned by the minister?

Mr. DUNNING: Undoubtedly, for this purpose.

Mr. BOYS: Would they be schools or hospitals?

Mr. DUNNING: Hospitals. I have all sympathy with the ideas that have been expressed by my hon. friend, but I wish they would allow us to get a little experience in operating this first with a view to widening it in the future in a manner which will be safe and proper.

At one o'clock the committee took recess.

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The committee resumed at three o'clock.

The CHAIRMAN: When the committee rose at one o'clock we were considering subsection (b) of section 3 of the Income War Tax Act.

Mr. BELL (St. Antoine): The minister was kind enough to say that he would leave the door open in considering suggestions made with reference to this subsection. May I put on record a somewhat similar provision in the United States income tax legislation dealing with this subject. It exempts contributions or gifts made within the taxable year to or for the use of:

> any corporation or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

It will be seen that that exemption from income tax of contributions or gifts is much wider in its scope than in this subsection. I think I have made it perfectly clear that I have no objection to the exemption from income tax of donations to churches and other religious institutions. All I am asking the minister to do is to extend the provision to cover donations to charities and social agencies, which apparently have been excluded, for administrative reasons. The Federated Charities of Montreal is an outstanding example of an organization such as I have in mind. It collects about three quarters of a million dollars annually for some thirty charitable institutions in the city. It is very efficiently managed and is doing very valuable work. I should think it would be no more difficult for the income tax authorities to administer the act with regard to donations to this and similar institutions than it would be with respect to donations to churches, colleges, universities, hospitals and the other institutions covered by the subsection under discussion. Unless the scope of this amendment is extended as suggested I fear it will discourage contributions to charitable and social organizations, to the detriment of the very necessary work that they carry on in our large cities. This would very adversely affect such splendid institutions as the Victorian Order of Nurses, the Child Welfare Association, the Mental Hygiene Committee, the Children's Aid Society, the Family Welfare Association, the social settlement of boys' and girls' clubs, the Social Hygiene and Anti-Tuberculosis Association, the Red Cross Society, and so on. As most of these organizations are operating under a federal or a provincial charter, I do not think there would be any difficulty of administration involved if they were brought within the scope of this subsection. I would point out to the minister that the province of Quebec has recently amended its inheritance tax legislation to exempt from taxation legacies to certain associations, amongst which are the charitable institutions I have enumerated.

Mr. MacLAREN: Mr. Chairman, I recognize that this subsection includes universities, but could it be interpreted as embracing such institutions as are essentially educational in their nature—for example a museum? It is conceivable that by a narrow interpretation of the words "university, college, school," such museums might be excluded from the benefits of the provision. I have a specific case in point—a provincial museum. I think the purpose of the subsection is admirable, but I should like to know if it will be interpreted in a liberal sense to cover museums, they being in their character essentially educational institutions. If not, I would suggest that the subsection be amended to effect this purpose.

Mr. DUNNING: I do not think I can say to my hon. friend that contributions to a museum would fall within the scope of the present suggested amendment. Of course, if a university was building a museum, and somebody contributed to the university, that would be a contribution to a university; the same would be true in the case of a college or a school. The suggestion made to include the various worthy objects mentioned by hon. members illustrates the type of problem with which I have had to deal in widening the scope of the exemptions even to this extent. I think the house might well let us operate under this section for a year, and so get experience of how it works in its various ramifications; then with that experience behind us we might consider extending the scope of the section as time passes. Might I reinforce the suggestion made by an hon. member before the lunch adjournment, that probably we would make faster progress and

the committee would have much more information before it if I were allowed to pass the resolution and then introduce the bill founded on it. It will be found to contain answers to many of the questions that I am now trying to answer. I think we would expedite business, it would be more convenient for the committee generally and would in no way restrict discussion.

Mr. BOYS: I approve of the suggestion made by the minister. We will be in a position to discuss the details when we have the bill before us, and as he has stated, some of the questions which at this stage present difficulties would be cleared up if we had the bill at our disposal.

Mr. MATTHEWS: I appreciate the difficulty under which the minister is working, because exemptions to the income tax present many ramifications and are becoming so numerous that they constitute almost the major part of the act. They will no doubt contribute to the difficulties encountered in the administration of the act. Three years ago in speaking on the budget I advocated that there should be exemptions in favour of educational institutions and hospitals. On that occasion I pointed out that the United States had made exemptions to the extent of about 15 per cent in favour of income payable to such institutions. The present suggestion recommends exemptions to the extent of 10 per cent. In spite of the fact that there will be difficulty in administration, I think the minister should give special consideration to the federated charities for community service which are operating in the larger cities. It is in the large cities that we find the greatest poverty, and because of that poverty relief is necessary. Unless exemptions are made and assistance rendered to the federated charities many poor people will find themselves in destitute circumstances. On that account and on account of the non-sectarian character of these funds, I think this point should be considered by the minister. In addition to that, if there is any difficulty on account of lack of uniformity in the collection and disposition of the federation funds, those difficulties might easily be overcome. There are not many federated funds; they are mainly in the larger cities, and I think at the request of the minister the collection and distribution of all these funds could be made uniform in the various cities.

Mr. McGIBBON: Before the noon adjournment the minister referred to donations to the Red Cross hospitals. Would any donations to the Red Cross be exempt, because they operate only about 27 or 28 hospitals, while they have many outposts which do a great deal of relief work?

Mr. DUNNING: The Red Cross outposts, as I understand them, are in effect small hospitals.

Mr. McGIBBON: Some of them are not

Mr. DUNNING: Any contributions for that phase of Red Cross work undoubtedly would be exempted.

Mr. MATTHEWS: Would the reference to churches include the Salvation Army?

Mr. DUNNING: Yes.

Mr. BELL (St. Antoine): The minister made special reference to the Red Cross. Several of these institutions, such as the Red Cross are included in the federation of charities. I presume that where donations are made definitely to that institution, even although it may form one of the societies in the federated charities, exemptions will be granted.

Mr. DUNNING: Any taxpayer who can produce a receipt from an institution the description of which falls within the four corners of this amendment will be entitled to exemption with respect to such receipt. Donations which are made for the support of Red Cross hospitals or outposts are manifestly donations for hospital purposes and would entitle the donor to exemption.

Mr. WOODSWORTH: In the city of Montreal, in the Catholic community, charity is largely under the control of the Roman Catholic churches. It is possible for people to contribute through the church for the needs of the community. On the other hand, in the Protestant community, charity is very largely organized through social service agencies, and there is a federation in that city which is trying to provide for the Protestant section. That is the method adopted by the Protestant community. The Roman Catholic church is one united church; the Protestant church is divided into a number of sects, and for the purpose of social welfare they have evolved this particular form of organization for the giving of relief. I do not think it is right that we should exempt the charities which come under the Roman Catholic church and refuse to exempt the charities which are trying to minister to the needs of the Protestant section in the city of Montreal. Such an arrangement does not seem fair to me. I have nothing against the Roman Catholic church, nor have I anything against the way

they administer their affairs, but I urge that the Protestants and other non-Catholic elements who wish to carry out social service activities have a perfect right to organize in the way they think best. It does not seem fair then that they should be discriminated against in this way. No doubt this is a newer type of organization and covers a wider field, but there is just as much reason why we should give to the needy man or the hungry child as there is to give to the sick man or child. At the present time there is a clear case of discrimination in favour of certain established institutions and against those newer types of social service which are being evolved and which to my mind are more efficient than the older ones.

Mr. LAPOINTE: I think my hon. friend is absolutely wrong in his understanding of the practices in the Catholic church in respect to charities. My hon. friend evidently has more information on the subject than I have, because I know of nothing such as he has described. There are associations which correspond to the social service agencies about which my hon. friend has spoken. In the cities where there are those of the Roman Catholic faith we find the St. Vincent de Paul Society, and contributions are made to it more particularly by members of the Catholic church. It is however quite independent of the church and it is not under the control of the church. There is no such thing as the Catholic church distributing charities in the manner suggested by my hon. friend; I have never heard of it and I think I know as much about the Catholic church as does my hon. friend.

Mr. WOODSWORTH: What about the collections for the poor which are observed by the Roman Catholic church? I do not pretend to be an authority in matters connected with the Roman Catholic church—

Mr. LAPOINTE: It is just another case of those discriminations about which some people dream.

Mr. WOODSWORTH: I am so informed.

Mr. LAPOINTE: Oh yes, I know you are.

Mr. DUNNING: I am particularly sorry that any question of religious discrimination could have been injected into this discussion. I can assure my hon. friends that nothing was farther from my mind.

Mr. WOODSWORTH: I quite agree with the hon. gentleman, but nevertheless it might work out in the way I have described.

Mr. DUNNING: I have made careful inquiry and my information is that there is no discrimination so far as Protestant charitable societies are concerned. They are on exactly the same footing, as far as this measure is concerned, as any society under the aegis of the Roman Catholic church. That is to say contributions to neither one nor the other would be exempt under the terms of this act, but only contributions to the churches themselves would be exempt. I would rather withdraw this amendment than have it the occasion for any controversy as to religious discrimination. Were I of opinion that my hon. friend's statement as to discrimination was correct, I assure him I would withdraw it now.

Mr. WOODSWORTH: Then I think the matter ought to be investigated before this is passed, because there is a serious question here. Anyone who knows anything of the charity work in the city of Montreal—and some years ago I had occasion to look into it very carefully—will know very well that there is a good deal of feeling in that city with regard to such matters, and I know there is a conviction that such organizations should be free to work out their own schemes. I do not want to take this occasion to go into the reports that have been given to me, reports of discrimination within the province of Quebec, and similar charges of which we often hear; we have nothing to do with that in this house, but I do not want this practice carried into the federal house. It does seem to me that it is quite possible that any donor may give to the Catholic church or to any individual Protestant church a sum of money, and receive exemption for that sum, and that the church may then use that money for whatever purpose it may wish. The church may use it for charitable purposes, for missionary activities, for the upkeep of the local church or for anything else. In the case of the Protestant communities, let me repeat that they carry on charity to a very limited extent through the local church. In recent years there has been developed this newer type of organization through which a good deal of the social work among Protestant people is done.

Now this simply means that whereas in the Roman Catholic community donors can give to the church and the church can pass it on as it pleases—

Mr. LAPOINTE: But it is not done.

Mr. WOODSWORTH: It is also done to a limited extent in the individual Protestant churches; I know that.

Mr. CANNON: I do not know where my hon. friend got his information. I have belonged to that church for quite a number of years and what he is talking about now does not exist.

Mr. WOODSWORTH: Perhaps the Minister of Justice will credit me with knowing what is done in the Protestant churches.

Mr. LAPOINTE: But you are talking about the Catholic church.

Mr. WOODSWORTH: I say to a limited extent charity is carried on by the individual local Protestant churches, but never to more than a limited extent. To a very large extent the Protestant churches have turned over a considerable amount of that type of work to bodies which do not directly come under the church. In my own city I have no quarrel with the way things are organized, for under this community fund the beneficiaries may be organizations such as the minister mentioned, the St. Vincent de Paul Society, as well as other non-denominational organizations. I would urge that if a man does not choose to belong to a particular denomination, or to any denomination, he should still be able to contribute to the needs of his fellow men without being discriminated against. The churches have a prominent place in this country, but they have no monopoly in work of this kind. I am not speaking against the churches nor am I speaking against the hospitals; they both do excellent work. Undoubtedly the hospitals should be given this exemption, but I am pleading for another type of work which has come into prominence in more recent years and which is doing just as good work as any of these other institutions, and hence should be recognized.

Mr. McQUARRIE: There are two orders which are undenominational, so far as I know; I refer to the Red Cross and the Victorian Order of Nurses. They are not covered by this amendment; that seems to be clear, from what the minister has said.

Mr. McGIBBON: The minister says they are covered.

Mr. DUNNING: No, I did not say that. What I said was that in so far as contributions are made to either of these societies for hospital or school purposes, those contributions would be exempt.

Mr. McGIBBON: I submit that was not the answer given to my question.

Mr. DUNNING: That was my intention.

[Mr. Woodsworth.]

Mr. McQUARRIE: This amendment seems to be quite clear. It states that donations to the extent of 10 per cent of the net income of the taxpayers to any church, university, college, school or hospital in Canada will be allowed as a deduction. Contribution to either of these two other bodies would not come under any of these headings.

Mr. DUNNING: Yes; the Red Cross runs hospitals. If my hon. friend wants to contribute to a Red Cross hospital he can get exemption for his contribution under this section.

Mr. McQUARRIE: But isn't that drawing it very fine?

Mr. DUNNING: No.

Mr. McQUARRIE: It seems to me it is, because if you contribute to the Red Cross or to the Victorian Order of Nurses you do not say to them how that money is to be spent. They are performing very valuable service all over the country without regard to race, creed, religion or anything of that kind. They are doing splendid work, carrying on nursing services, educational work, public health and all that sort of thing. We have them all over Canada, and the funds with which they carry on are obtained by donation. I do not think that is the right system at all. I think the government should be contributing enough to allow these organizations to carry on their splendid work, but as it is the government only makes very paltry contributions to these organizations. Now, surely donations made to these orders should be exempt when they are doing purely charitable work. These men and women who are carrying on both these orders have themselves to provide and collect the funds and I think it would be a very little thing indeed to add these two orders to the classes set out in paragraph (b).

Mr. DUNNING: I have had enough suggestions as to the widening of this paragraph from the committee, particularly from new relays of members as they came in, to illustrate the nature of the problem which I outlined this morning at the commencement. This exemption is experimental; it is new in the law. It is now fairly wide in its application, and I ask that the committee give us a chance to operate it and get experience under it. Then we can consider widening it. I am quite sure from the variety of suggestions which have been received that it is very apparent that to meet them all would be going very far indeed. I suggested a few moments ago that we could

more easily discuss these resolutions on the bill, when hon. members had it before them. I think it would be very much easier when we get the bill introduced.

Mr. McGIBBON: I just want to clear up this matter, and perhaps the minister will forgive me if I am persistent. With reference to the Red Cross, to my mind there is no such thing as a donation to a Red Cross hospital.

Mr. DUNNING: Yes, there is.

Mr. McGIBBON: No, I beg your pardon; I happen to know something about that. The hospitals are bought and equipped by the local municipalities, and all the Red Cross does is to run them. The donations are solicited for the general funds, which may go to running a Red Cross hospital, which may finance outpost nursing services or other things in that category. I think the minister has been misinformed, because if you give a donation to a Red Cross hospital it does not go to the Red Cross at all; it goes to the local municipality which for the time being is erecting and fitting that hospital. All the Red Cross does is to operate it and pay the deficit or take the profit as the case may be. I would like the minister just to give us a ruling as to whether or not this would apply.

Mr. DUNNING: Of course I cannot give a departmental ruling; that is impossible, but I can say that personally I have contributed to specific objects. I appreciate what my hon. friend says; I believe it is generally true regarding the Red Cross. I submit that there is nothing to prevent the Red Cross or any organization which operates hospitals or schools as part of its regular work, from asking for specific contributions for those purposes, and giving receipts therefore, in which case the givers would qualify for exemption.

Mr. McGIBBON: The Red Cross do nothing towards acquiring or equipping hospitals; all they do is to run them, take the fees from the patients, accept government grants and pay any deficits or take any surplus, as the case may be.

Mr. DUNNING: They operate outposts in our province.

Mr. McGIBBON: That is not the case in the province of Ontario. I can assure the minister that I have had a good deal to do with that organization. All donations go into a general fund.

Mr. DUPUIS: Mr. Chairman, before this clause is passed I would like to go on record in saying that I rely fully upon the declaration of the hon. Minister of Finance, that this clause is being introduced as an experiment, and I am confident that if there are any criticisms offered they will receive the attention of the minister.

Subsection 3 (b) agreed to.

On section 3, subsection (c):

That government or other like annuities to the extent of $5,000 be exempt from income tax.

Subsection (c) agreed to.

On section 4:

That corporate rates of tax be imposed on family corporations in respect of the interest therein of non-resident shareholders.

Section 4 agreed to.

On section 5:

That directors, officers or employees of a Canadian company who reside abroad shall be taxable in respect of the dividend and interest income received from the company in which they are employed.

Mr. SMOKE: Mr. Chairman, I do not see how the government of the Dominion of Canada will be able to impose a tax upon a non-resident. It may be that the statute may provide that the company who pays the dividend or other remuneration to foreign directors, officers or employees will have to deduct the amount of the tax from such payment. Otherwise, how is the government to reach people residing outside of Canada for the purpose of imposing taxation?

Mr. DUNNING: I wish my hon. friend would wait until he has the bill before him.

Section 5 agreed to.

On section 6:

That any enactment founded on the foregoing resolutions shall be deemed to have come into force at the commencement of the 1929 taxation period and to be applicable thereto and to fiscal periods ending therein and to subsequent periods, except any enactment founded on resolution number one hereof, which shall be deemed to have come into force at the commencement of the 1930 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods.

Section 6 agreed to.

Resolution reported.

BOUNTY ON COAL FOR COKING AND SMELTING

Resolved, that it is expedient to introduce a measure to provide for the payment out of the consolidated revenue fund of forty-nine and one-half cents per ton on bituminous coal mined in Canada and converted into coke in Canada and used in the smelting of iron from ore, or in the production of steel.

Mr. MacDONALD (Cape Breton South): Mr. Chairman, as I intimated in my remarks during the budget debate, I intend to move

an amendment to this resolution to provide that the money paid out under this resolution shall find its way into the wage envelopes of the workers. I may say that I am very much interested in the success of this enterprise; all my interests and the interests of those I represent are bound up intimately with its success or failure. The slightest interference with the operations of this enterprise is felt in every store, in every office and in every home of Sydney. It is quite clear that if this company is not earning enough money to pay decent wages, then decent wages cannot be paid. I am sure that if the workers were convinced that this company was unable to pay them fair rates of wages, they possess the intelligence and fairmindedness not to ask for them. However, the report of the receiver of that institution is to the effect that during the last three years the company's earnings over expenditures have been over $2,000,000 per year. The wages paid to these workers are not high enough to enable them to maintain a decent standard of living. As has been pointed out, they work unseemly hours; during one week they work thirteen hours per day, and the next eleven hours per day. These men are not unionized and are not permitted to organize. An employee who takes part in any attempt at organization soon finds his occupation gone.

In his remarks last evening the hon. member for Pictou (Mr. Cantley) seemed to resent the observations which had been made in this house on previous occasions, and I might say that I believe every statement he made was absolutely correct. The hon. member was president and director of the Nova Scotia Steel Company for twenty years, and during all those years there never was the slightest labour trouble in any of the operations which that company carried on at New Glasgow and Sydney Mines. However, Besco came in and purchased the plant occupied by the Nova Scotia Steel Company and since that time we have had numerous labour troubles. Why was there not trouble before that time? Because the hon. member for Pictou and others like him worked shoulder to shoulder with the men; they knew the men personally. When they passed off the scene, operations were carried on from Montreal, 1,000 miles away, by a body of men sitting around a table. They would have before them statements showing the operations of the institution and the sight of red ink on those statements they hated worse than they hated his satanic majesty. This resolution provides that the steel company is to get a bonus of fifty cents a ton on every ton of coal that

[Mr. Finlay MacDonald.]

enters into the manufacture of steel. I am holding up both hands for it; it is a recommendation which was made by the Duncan commission and which we have urged and fought for in the house during the past three or four years. We give the government every credit for this action and I want to thank the minister responsible for introducing this resolution. I appreciate what has been done, but this is velvet; it is clear profit that is being handed to that company.

Where should this bonus go? Should it go into the pockets of the shareholders or into the wage envelopes of the men? In view of the modern conception of how corporations of this kind should be managed, there can be no two opinions on that point. I appreciate the difficulties surrounding any attempt to interfere with the tariff, but there is no difficulty in connection with this bonus system. This is a gratuity given by the government to that company.

Mr. HANSON: No; from the country to the company.

Mr. MacDONALD (Cape Breton South): Well, from the country to the company through the agency of the government. I am not disposed to take any credit away from the government; I want to give them credit for what they have done, but I should like them to come with me a little further and say that this amount is going, not into the hands of the shareholders or the executive of the company, but into the wage envelopes of the men who are helping to make the industry a success.

I am glad to see the Minister of Labour in his seat. He had a fair wage officer in that district and he is able to tell the committee to-day whether the men are working there under decent conditions, whether this thirteen-hour and eleven-hour day should be permitted to exist. He is able to assure the committee on that point. Will he not join with me in seeing that this degree of justice is done to those men? I have confidence enough in him to believe that he will. We have reached in the history of the country the stage where governments must recognize their responsibilities, and such a case as this where the men are unable to organize to protect themselves, the representatives of the people must step in and see, so far as lies within our power, that justice is done. I therefore move that the following words be added to the resolution:

And to provide that the money so paid or a portion thereof shall be devoted to the improvement of the position of the men employed in such plants either by way of increased wages or shorter hours or both.

Mr. DUNNING: Since my hon. friend started to speak, it has been represented to me by various members across the floor that there was some understanding that this matter should not be proceeded with to-day and I would not like to be in the position of even inferentially violating any understanding of that kind. I am quite prepared to move that the committee rise, report progress and ask leave to sit again this day.

Mr. MacDONALD (Cape Breton South): I did not know of any such arrangement.

Mr. MACDOUGALL: To what understanding does the minister refer? If the leader of the opposition did not want to have this matter discussed until he was present, that is quite satisfactory.

Mr. DUNNING: It was represented to me that last night the leader of the opposition suggested that this bill be not proceeded with to-day.

Mr. WOODSWORTH: Does that mean that the steel schedules will not be proceeded with to-day?

Mr. DUNNING: I am prepared to hold them over. I am ready to proceed with any business, but if there was any understanding on the part of any of the leaders who are not present to-day that something should not be gone on with, I do not want to violate it.

Mr. CANTLEY: That is quite all right.

Resolution (coal bounty) stands.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 310, to amend the Income War Tax Act.

Motion agreed to and bill read the first and second times.

Mr. DUNNING moved that the house go into committee on the bill.

Mr. BOYS: I think we ought to have the bill in our hands before we are asked to consider it in committee.

Mr. DUNNING: The bill is ready for distribution.

Mr. BOYS: But that does not give us the slightest opportunity of familiarizing ourselves with its provisions. The minister is familiar with them, but we are not.

Motion stands.

## WAYS AND MEANS

### SPECIAL WAR REVENUE ACT

The house again in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: This resolution was before the committee this morning. We are now considering section 4.

On section 4:

4. That section fifty-eight, as enacted by chapter fifty-seven of the statutes of 1929, sections fifty-nine, sixty, sixty-one, sixty-two and sixty-three be repealed and provision made that there shall be imposed, levied and collected upon every change of ownership consequent upon the sale, transfer or assignment of any share of stock of any association, company or corporation, or any bond, debenture or debenture stock other than a bond, debenture or stock of the Dominion of Canada or of any province of Canada, an excise tax as follows:

(a) Three cents for every one hundred dollars or fraction thereof, of the par value of a bond, debenture or debenture stock;

(b) Five cents for every share of stock sold or transferred at a price over one hundred and fifty dollars per share;

(c) Four cents for every share of stock sold or transferred at a price over seventy-five dollars per share but not more than one hundred and fifty dollars per share;

(d) Three cents for every share of stock sold or transferred at a price over fifty dollars per share but not more than seventy-five dollars per share;

(e) Two cents for every share of stock sold or transfered at a price over twenty-five dollars per share but not more than fifty dollars per share;

(f) One cent for every share of stock sold or transferred at a price over five dollars per share but not more than twenty-five dollars per share;

(g) One-quarter of one cent for every share of stock sold or transferred at a price of one dollar to five dollars per share, but not more than five dollars per share;

(h) One-tenth of one per cent of the value of every share of stock sold or transferred at a price less than one dollar per share;

that the said tax shall be payable in excise tax stamps by the vendor, transferor or assignor;

that every person liable to collect or pay the said tax shall keep records and books of account;

and that any enactment founded on this paragraph four shall come into force on the first day of July, one thousand nine hundred and thirty.

Mr. BOYS: This forenoon I asked the minister whether he could not, opposite paragraphs (a) to (h) inclusive, give the prevailing rates under the former legislation.

Mr. DUNNING: The present rates are—

Mr. BOYS: It would be a great convenience if the minister would give us the old rates and the existing rates side by side.

Mr. DUNNING: The old rates were one-tenth of one cent on shares of 50 cents and under; one-quarter of one cent on shares between 50 cents and $1. The new rate on all shares less than $1 will be one-tenth of one per cent, calculated on the money total of the transaction, instead of the fixed rate of one-tenth of one per cent on the share value. That will cut the tax down very materially indeed. On shares from $1 to $3 the old rate was one cent; the new rate is one-quarter of one cent per share from $1 to $5. The old rate on shares between $3 and $20 was two cents per share; the new rate is one cent per share on shares from $5 to $25. The old rate was three cents per share on shares between $20 and $100; the new rate is two cents per share on shares from $25 to $50, three cents on shares from $50 to $75, and four cents on shares from $75 to $150. On shares over $100 the new rate is four cents, and on shares over $150, five cents.

Mr. McRAE: I might add to the minister's statement by giving some instances of the reductions as applied to certain companies. I have here a schedule which has been worked out for me by a reliable accountant, and I submit it as being approximately correct. The schedule covers thirty companies and shows a reduction from the old tax of 33 per cent on the shares of such companies as Noranda and International Nickel, increasing in the case of the penny stocks up to as high as 98 per cent reduction of the old tax. For instance, in Thomson-Cadillac the old tax has been reduced 96 per cent. The so-called penny stocks are reduced from 64 to 99 per cent. The average reduction might be said to be 75 per cent. In the higher priced stocks the reduction is from 33 per cent up to 50 per cent. The tax on Hollinger, for instance, selling at the present market price of $6.55, is reduced by one-half, while on Teck-Hughes selling at about the same price, $6.75, there is a similar reduction. I think that is a fair statement of the general application of this new schedule.

There is another matter that I would bring to the attention of the committee. It has to do with the question of the share tax in Canada as compared with the share tax in the United States. In that connection, exclusive of provincial tax I find that a stock such as Hollinger, selling at a price of $6.55 per share, carries a tax on a sale of one thousand shares in New York of $2, while the tax in Canada under this new schedule is $10.

Mr. DUNNING: Does that $2 include the state tax in New York as well as the federal?

[Mr. Boys.]

Mr. McRAE: I understand so. It does not include the provincial tax in this country. The $2 is the tax if the deal was made on the New York stock exchange. The other figure is exclusive of the provincial tax in this country. If my figures are correct, it would appear that the tax on a purchase of Hollinger in New York would be less than 25 per cent of the tax which would be charged on the purchase of the same number of shares in Montreal or Toronto. The point I want to put before the minister is whether by this tax we are not driving certain business to the New York stock exchange to the disadvantage of our own Canadian exchanges. I know that in my own city those connected with the stock exchange business feel that the taxes have already driven a great deal of business to Seattle. I can quite appreciate that this amendment to the schedule will result in recovering some of the penny stock business for our Canadian changes, but when it comes to the higher priced stocks such as Noranda and International Nickel, I think the government should consider carefully whether the present schedule is not driving that business to New York.

As I am not clear on the point myself I would like to ask the minister this question: When an agency of a New York house in this country sends a transaction to the New York stock exchange to be executed there, does Canada get any revenue from that transaction or not?

Mr. DUNNING: I have a great deal of interest myself in the answer to that question for quite frankly I have been trying to find means in the interest of revenue of taxing under the existing law transactions of that kind. I cannot say that, up to the present, within the short period the new machinery has been at work, that is being done. My hon. friend knows the machinery which has been operative through the Canadian exchanges. There is a very grave question as to whether we can do it, but the matter is being gone into at the present time.

Mr. McRAE: I appreciate what the minister says, and that brings home the point that I want to get before the house. It is this, that by this higher share tax in Canada we are driving our business to the American exchanges because a man trading in large blocks of Canadian stocks will make a very material saving in the tax alone by having the transaction executed in New York. I do not believe it is in the interests of Canada, and certainly it is not in the interests of those

who are engaged in that business in this country, to have to operate at such a disadvantage. You have the results. If you deal in New York, it takes money out of the country, takes the profit on the transaction out of the country, and the government as well loses the revenue. It seems to me that some method should be found of dealing with the situation. Whether a man buys shares through Canadian exchanges or through the New York exchange, in either case he uses exactly the same credit and should pay the same tax. I hope the hon. minister will find some way of dealing with the matter, otherwise I have reason to believe that a great deal of the business, particularly the large transactions, those which can get credit in New York, will drift to that exchange.

Mr. DUNNING: Thank you.

Resolution reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 311, to amend the Special War Revenue Act.

Motion agreed to and bill read the first and second times.

## SUPPLY

### PUBLIC WORKS DEPARTMENT

The house in committee of supply, Mr Johnston in the chair.

The CHAIRMAN: Vote 121, page 32 of the estimates. When this resolution was last before the committee we were considering the item:

Quebec Citadel—Governor General's quarters —improvements, maintenance, etc., $17,000.

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Chairman, at the last sitting of the committee my hon. friend from York-Sunbury (Mr. Hanson) asked for information with regard to the expenses in connection with Rideau Hall, and I have had it prepared for several years back. I will send over to him a copy of the statement; also a statement relating to the railway department, which they tell me is all the information they have.

Mr. McGIBBON: I think, Mr. Chairman, the house and the country would be interested in the information as well as the member for York-Sunbury.

Mr. ELLIOTT: I am quite sure of that, and I should like to lay on the table a copy of the statement. My hon. friend suggested that there had been an increase in the last few years over any other previous period, and I want to call his attention to that phase of it.

Mr. HANSON: Mr. Chairman, I have just had a chance merely to glance over this statement. It is confined entirely to Rideau Hall. My request referred to the whole institution. This does not cover one cent for work done on the Quebec citadel; therefore to that extent it is entirely misleading.

Mr. ELLIOTT: My hon. friend will recall that on the last occasion when we were discussing the matter I gave a statement regarding the Quebec citadel expenditures. I want to be absolutely clear that I am giving him the information he asked for as reported in Hansard at the time. He then stated that the further information he wanted referred to Rideau Hall. At that time I gave him all the information we had with regard to the citadel. It is quite an expensive statement. Perhaps my hon. friend would prefer to have a little time to look it over. If so, we will let the item stand for the present and proceed with other items.

May I direct my hon. friend's attention to the fact that for the three years ending March 31, 1915, the expenditure was $453,743.20; for the three years ending March 31, 1930, $337,-264.38—a difference of $116,478.82. That is, there was that much more expended on Rideau Hall for the three years ending March, 1915, than for the similar period ending March, 1930. I think it is only fair to my hon. friend to say that the recent expenditures extend over four or perhaps five years. So I have looked into what the expenditure was for the four years ending March 31, 1916, and I find that it amounted to $527,864.17, while for the four years ending March 31, 1930, it was $463,911.92—or for the previous four years ending 31st March, 1916, an excess of $63,-952.35 over the last four years. For the five year period ending on March 31, 1917, the expenditure was $608,384.47; for the five years ending March 31, 1930, the expenditure was $558,984.24—or for the five years ending March 31, 1917, an excess over the five years ending March 31, 1930, of $49,400.23.

Mr. McGIBBON: How much of that from 1913 on was due to remodelling Rideau Hall?

Mr. ELLIOTT: The remodelling started, I think, in 1914. But I find that in 1911 an extra $60,000 was voted for a cloak room and for some additions including a garage. Late

in that year an additional $50,000 was voted for furnishings and things of that kind. The other reconstruction to which my hon. friend refers was started about 1914.

Mr. McGIBBON: I want to get the amount for reconstruction and the amount for repairs.

Mr. ELLIOTT: That is a matter of detail.

Mr. McGIBBON: A very important detail.

Mr. ELLIOTT: In the statement I have furnished it shows the total expenditure on the hall for each of those years, part as refurnishing and part as additions and reconstructions from year to year.

Mr. McGIBBON: I submit the country will not be satisfied with that explanation.

Mr. ELLIOTT: I can give my hon. friend some information, although I cannot give it in detail; I have nothing more than what appears on the statement before me. The amount spent for maintenance and repairs in 1912-13 was $67,089.44; there is no amount recorded for expenditures on alterations and improvements. In the year 1913-14, $285,977.11 was spent for maintenance and repairs, and there is nothing shown for alterations and improvements.

Mr. McGIBBON: How much was spent for repairs?

Mr. ELLIOTT: That is not separated.

Mr. McGIBBON: I submit that the house is entitled to have it separated.

Mr. ELLIOTT: I will give my hon. friend complete details, but it will take some time to segregate the amounts spent on buildings, furnishings, grounds, and various items of maintenance. I suggest that we would be in a better position to discuss the matter after hon. gentlemen have had an opportunity to peruse the statement which I have furnished in regard to Rideau Hall.

Mr. BOYS: Would it be too much trouble to have prepared a statement in connection with the Quebec citadel along the lines of the one prepared in connection with Rideau Hall? Then they could both be put in Hansard.

Mr. ELLIOTT: It would take some time to prepare such a statement, because it dates back to 1871, at the time it was taken over by the federal government.

Mr. BOYS: 1891, not 1871.

Mr. ELLIOTT: No, it was in 1871 that the citadel was transferred.

[Mr. Elliott.]

Mr. HANSON: We do not want to go back that far.

Mr. BOYS: The statement I have in my hand goes back as far as 1890 and 1891.

Mr. ELLIOTT: Yes; that statement deals with Rideau Hall.

Mr. BOYS: Oh, yes, that is correct.

Mr. ELLIOTT: I should be pleased to get further information for my hon. friends, but on a former occasion when we were in committee I gave to my hon. friend from York-Sunbury (Mr. Hanson) details covering a number of years. I understood that he was satisfied, as far as the citadel is concerned.

Mr. HANSON: We have the details of the citadel for the last few years. I had in mind the cost in recent years of the whole institution. There is the question of Rideau Hall, the question of the citadel, the question of the private car and all that sort of thing. If you have the information concerning those matters tabulated and the whole thing carried into a gross total I would like to see the figures; the country also would like to have them.

Mr. ELLIOTT: Some of my officials have interviewed officials of the Department of Railways and Canals and we were informed that all the information they had was contained in the return which was asked for and tabled, and a copy of which I sent to my hon. friend this afternoon.

Mr. HANSON: I have not got it.

Mr. ELLIOTT: The return is contained in sessional paper No. 196.

Mr. McGIBBON: We are much obliged to the minister for the meagre information he has given. However I would like to have the total costs of this institution for the years ranging from 1913 to 1930. I would like to have also the capital expenditure separated from upkeep and running expenditures. I hope the minister will be in a position to supply this information before prorogation.

Mr. ELLIOTT: If my hon. friend will look at the statement before him he will see that it supplies the information under the three usual headings, alterations and improvements, maintenance and repairs, and fuel and light. In the three columns are shown the appropriations each year. That is all the information I can give, unless it is the wish of hon. members that I set some one at the task of picking out the expendi-

tures for furniture, repairs to buildings, repairs to grounds, and so on. My hon. friends will readily understand that such a procedure would necessitate a great deal of detailed search.

Mr. McGIBBON: I suggest to the minister that he should set some one at the task. It is not the duty of hon. members in this house to act as a clerical staff, not even for the Minister of Public Works. The country is very much interested in this matter, and I think we should have information in connection with it.

Mr. ELLIOTT: I should be pleased to supply the information, but my hon. friend must understand that the officials in the department are very busy and will continue to be so for the next few days. As a matter of fact the information he desires is contained in the Auditor General's report, to which he has access. I repeat however that if it is the desire of the hon. gentleman, I shall as far as is humanly possible attempt to provide the information. There is no doubt that this is a matter concerning which there has been recently considerable discussion, and it is important that the public should have the information to show what the exact position is.

Mr. McGIBBON: A few moments ago the minister told me he could not differentiate between the expenses for improvements and the charges for running expenses.

Mr. ELLIOTT: I say that I cannot give the information my hon. friend desires from the statement in its present condition. However by going through the vouchers it will be possible to learn what each payment is for.

Mr. McGIBBON: Surely the minister does not seriously expect members of the House of Commons to convert themselves into a staff to do that sort of thing. We are asking the minister for the information.

Mr. ELLIOTT: I have pointed out to my hon. friend that the Auditor General's report gives the desired details in connection with each item, and my hon. friend has access to that report.

Mr. HANSON: The report of the Auditor General does not give that information. It gives the items and the amounts, but it does not give the details. If the hon. gentleman wishes to have a concrete example, turn to the item concerning the Federal District Commission as contained in the Auditor General's report, and he will find that there is very little detail concerning expenditure of millions of dollars.

Mr. ELLIOTT: My hon. friend is under a misapprehension. The details quoted the other night by my hon. friend from Mackenzie (Mr. Campbell) have been quoted time and again in regard to Rideau Hall, and those details are set forth in the Auditor General's report.

Mr. CAMPBELL: Some days ago when this matter was under discussion I expressed my disapproval of the ever increasing expenditures. It is not necessary to repeat at this time what I said on a former occasion, but I do wish to place on Hansard the total costs from 1916 to the present time. I shall give the details in connection with the year 1916, and for other years I shall give the total amounts only. In 1916 the cost of the Governor General's office was $147,416.65. The cost for Rideau Hall was $74,120.97; for telephone, $1,542.44; for the citadel, $4,168.26, and for cars, $11,500, making a total of $238,748.32. The totals for 1917 and succeeding years were as follows:

| | |
|---|---|
| 1917 | $ 229,914 |
| 1918 | 237,987 |
| 1919 | 222,823 |
| 1920 | 234,053 |
| 1921 | 249,402 |
| 1922 | 260,000 |
| 1923 | 260,247 |
| 1924 | 295,319 |
| 1925 | 263,941 |
| 1926 | 235,710 |
| 1927 | 292,381 |
| 1928 | 576,496 |
| 1929 | 441,093 |

Mr. HANSON: That is the kind of information we want.

Mr. ELLIOTT: Of course my hon. friend can get it by applying to the same source from which my hon. friend from Mackenzie obtained it.

Mr. HANSON: I do not think that is the kind of answer we should get from the minister. I do not know in the first place where to look for this information; I cannot spend my days and nights going through the Auditor General's report. It is the duty of the administration to give the information asked for in committee of supply. For instance, I never thought of looking for the expenses under the heading Governor General's office, which amounts to $147,000.

Mr. ELLIOTT: If my hon. friend will pardon me—

Mr. HANSON: I do not know why I should spend my days and nights digging out this information, and I am satisfied that when it is dug out it will startle the country.

Mr. ELLIOTT: I am sure my hon. friend from Mackenzie, who has obtained the information, will be pleased to point out to my hon. friend the source from which he obtained it.

Mr. HANSON: Thanks for the information.

Mr. McGIBBON: That is the kind of information we get from the minister. I say without hesitation that it is an insult to this committee for any minister of the crown to refer members on this side to any member of another group when we ask for information.

Mr. CAMPBELL: I spent two whole days of good hard work in going through the public accounts in order to secure this information, and I am not sure that I have it all as yet. The more one examines into the public accounts the more one finds little items spread all through which one would not find in the first place. Office expenditures are split up into one or two votes; in some cases the expenditures on Rideau Hall are divided into two portions, one under capital expenditure and one under fixtures. Then there is the telephone account; you will find that in two or three different places in the book. There is the item of water, and other similar small items spread all over, so I say I am not sure these figures are complete.

Item agreed to.

Ste. Anne de Bellevue—public building, $34,000.

Mr. SHORT: Is this a new building?

Mr. ELLIOTT: Yes, this is a new building.

Item agreed to.

St. Joseph d'Alma—public building, $28,000.

Mr. SHORT: Is this another new building?

Mr. ELLIOTT: Yes.

Mr. CANNON: This is in the lake St. John area, where the new work is going on.

Item agreed to.

Ste. Marie de Beauce—public building, $25,000.

Mr. SHORT: Where is that?

Mr. ELLIOTT: That is in the county of Beauce. It is a new building.

Item agreed to.

Ste. Martine (Chateauguay county)—public building, $15,000.

Mr. HANSON: How many new public buildings are there for the province of Quebec this year?

[Mr. Hanson.]

Mr. ELLIOTT: If my hon. friend will look at the estimates he will see that these are nearly all items for which there was a vote a year ago. There are very few really new items.

Mr. HANSON: How many are new?

Mr. SHORT: They are all new buildings, are they not?

Mr. HANSON: How many are votes for new buildings in Quebec this year?

Mr. ELLIOTT: I can count them and give my hon. friend the information.

Mr. HANSON: Surely the deputy minister knows.

Mr. ELLIOTT: I will count them and give the information to my hon. friend.

Item agreed to.

Public Works, Ontario—Brockville public building—installation of fittings, $4,000.

Mr. McGIBBON: Perhaps now when the minister has his deputy before him, and in view of his statement that many of the items for Quebec were for works started last year, he can tell me whether he is going on with the wharf at Beaverton, for which an item was included previously.

Mr. ELLIOTT: Yes, I shall be glad to give my hon. friend the information which I have obtained since he asked the question this morning on the orders of the day. I find that in 1928-29 and 1929-30, the Patterson Construction Company of Brantford reconstructed a length of 151 feet 9 inches on the north side of the wharf. Extra work was done in providing a landing for small boats. The final estimate for this work was paid in August, 1929, and amounted to $4,243.72. A revetment wall on the south side for a length of 142 feet has been examined and reported on. The section is in a condition somewhat similar to the portion that has already been repaired. The town of Beaverton is developing this part of the harbour area for park purposes and the recommendation of the engineer is that this revetment wall eventually should be reconstructed. There is no amount in the estimates for it.

Mr. McGIBBON: Would the minister promise that it will be in the supplementary estimates?

Mr. ELLIOTT: I could not make any such promise, as my hon. friend knows.

Mr. SHORT: When the public buildings for Nova Scotia were being considered, I understand some of our members were away, and I believe there was one item left over in connection with which I should like to say a few words.

Mr. ELLIOTT: No, I think they were all finished up, but I should be very glad to hear any remarks my hon. friend cares to make.

Mr. SHORT: I notice in looking over the items for public buildings in Nova Scotia that you have not included a public building at Bridgetown, which I have spoken about in this house ever since I have been here. The minister promised last year that he would give the matter his very serious consideration. He has constructed a new building in the adjoining constituency which is represented by the hon. member for Hants-Kings; that building has been constructed in the town of Hantsport, where the postal revenue is some $2,500 as against a revenue of over $9,000 in the town of Bridgetown. The need of a building at Bridgetown was considered so important in 1925, that the predecessor of the Minister of Public Works (Mr. King, Kootenay), visited that town and found the state of affairs in the public building so deplorable that he gave instructions to purchase a lot upon which to construct a new building. A very desirable lot was purchased in the centre of the town, but since that time nothing has been done. However, when one sees a town in the adjoining riding only about half the size and with about one-third the revenue receiving, as it did last year, a grant of $15,000 and this year a grant of $11,000, it is hard to understand why there should be such a difference. The supplementary estimates have not been brought down and the minister has an opportunity to put a sufficient amount in those estimates for the construction of a public building at Bridgetown.

Mr. ELLIOTT: I know it is unnecessary for me to say to my hon. friend that all the representations which he has made during the past years have received the careful consideration of the department, and I only hope that he will be as happy when the supplementary estimates come down as he has been during the presentation of these present estimates.

Mr. SHORT: That is encouraging.

Mr. BOYS: I almost hesitate to take up any of the time of the committee, but as the minister has mentioned the supplementary estimates, I take this opportunity of mentioning two wharves at Barrie which are in a very bad state of repair. When I wrote to the district engineer about this matter, he informed me that there was no appropriation to take care of it. These wharves are absolutely dangerous and I fear that an accident will take place. I think an item should be provided in the supplementary estimates to cover the resheathing of these wharves, although I do not see why it could not be taken care of by the general appropriation. I would imagine that from $400 to $600 would be sufficient to make these wharves safe, and that is all I am asking for.

Mr. ELLIOTT: If the amount required is not larger than that stated by my hon. friend, I should think it would be possible to do that work out of the general vote. In order to avoid the necessity of further discussion as to what may be in the supplementary estimates, perhaps it might be well to mention that they are now at such a stage that there would be little probability of any change being made.

Mr. BOYS: I imagine that two inch planking would be sufficient to do this job, and I do not think the cost would be more than I have stated. I am not criticizing the district engineer, but he replied to me that he could not get the money to do the work. I hope the minister will see that it is provided.

Mr. ELLIOTT: I will endeavour to see that the matter is attended to. From the statement of my hon. friend, I imagine that it can be taken care of out of the general vote.

Item agreed to.

Exeter—public building, $10,000.

Mr. McGIBBON: I feel obliged to direct the attention of the minister to the necessity of a public building at the village of Cannington. I trust the minister will give this matter his sympathetic consideration.

Item agreed to.

London customs house—renewal of clock, $1,500.

Mr. COOTE: That seems to be a pretty high price for a clock.

Mr. ELLIOTT: That is the cost of a clock of that type. The old clock has been in service for over thirty-five years, if my information is correct—of course, my memory would not carry me back that far—and it has been found impossible to use it any longer.

Item agreed to.

Ottawa—towards purchase of Daly building, $106,000.

Mr. COOTE: Are there any further payments to be made on the Daly building, or does this vote conclude them?

Mr. ELLIOTT: This is the final vote.

Mr. COOTE: While we are on this item, would the minister give the committee the cost of the Confederation block?

Mr. ELLIOTT: The contract price was $2,497,000, which was below our estimate.

Item agreed to.

Penetanguishene—public building, $12,000.

Mr. HANSON: What is intended to be done with this vote; is it both to purchase a site and to complete a building?

Mr. ELLIOTT: For the purchase of a site.

Mr. THOMPSON: For the site alone?

Mr. ELLIOTT: It is not expected that the site will cost that much, but this vote is to cover the purchase of the site and the preparation of plans, so that we will be in position to let a contract.

Mr. THOMPSON: The site has not been chosen as yet?

Mr. ELLIOTT: No.

Item agreed to.

Toronto—customs house, $1,500,000.

Mr. COOTE: What will be the total cost of the customs house at Toronto, and when is it expected to be completed?

Mr. ELLIOTT: The contract price was $2,057,000, and although good progress is being made it is not expected that the building will be completed before the end of the fiscal year.

Item agreed to.

Windsor—public building, $100,000.

Mr. ROBINSON: Would the minister give an explanation of what this covers?

Mr. ELLIOTT: The architects of the Department of Public Works, in conjunction with architects of the Canadian National Railways, the Departments of National Revenue, Immigration, Post Office and others which will need to be housed in that building, are working on a plan which it is hoped will result in their agreeing upon a scheme for having under one roof the various government services required for the town of Windsor.

Item agreed to.

[Mr. Elliott.]

Public building—Saskatchewan—Arcola—public building, $12,000.

Mr. CAMPBELL: I should like to ask the minister whether he has under his hand a report from an architect sent to Wynyard some time ago to inquire into the cost of erecting a post office at that point.

Mr. ELLIOTT: As my hon. friend will readily understand, the details that I have relate to the rather large number of items that are included in the estimates under consideration. I have no details with regard to any others.

Mr. CAMPBELL: Has the minister given any consideration to the construction of a building at that point? The recommendations have been before him for at least four or five years. What consideration are they likely to receive?

Mr. ELLIOTT: They have been receiving consideration along with all the various other applications that have come into the department from different sources. I cannot say anything more than that.

Mr. CAMPBELL: It seems to me that the town of Wynyard is not receiving the consideration it deserves. I have from the minister under date of March 3 last a letter which reads in part:

> The situation is that there are numerous requests from all over the Dominion for the erection of public buildings and as the government has been endeavouring to reduce the national debt from year to year, it is not in a position to provide for as large a construction program as it would like.

I have a good deal of sympathy with that statement. I am not going to ask the government to spend more money than it feels is necessary, but on looking over the expenditures on post offices for the province of Saskatchewan, it appears to me that the town of Wynyard has not been given the consideration it deserves in comparison with other points. I have in my hand a return laid on the table on March 12, 1930, showing the revenues of various post offices in Saskatchewan and also the expenditures on public buildings in that province during the last three years. The average revenues for the last three years, that is, 1927, 1928 and 1929, for certain post offices are as follows:

| Post Office | Average Revenue |
|---|---|
| Battleford | $ 7,929 |
| Canora | 6,334 |
| Maple Creek | 9,409 |
| Rosthern | 6,756 |
| Tisdale | 8,035 |
| Wilkie | 7,214 |

The post office at Wynyard shows an average revenue for the three years of $6,438. While nothing has been spent on the building at Wynyard considerable amounts are now being or have been spent on those other points, as follows:

| Post Office | Expenditure |
|---|---|
| Battleford | $ 43,588 |
| Canora | 29,500 |
| Maple Creek | 30,727 |
| Rosthern | 37,518 |
| Tisdale | 32,545 |
| Wilkie | 55,000 |

It seems to me that if these points are considered on their merits, Wynyard is deserving of some consideration on the basis of revenue. There are other points that are not showing the revenue that Wynyard exhibits and yet large amounts of money are being spent on them. The minister knows the need for a public building at Wynyard and I certainly think that town should receive more consideration than it has done in the past.

Mr. ELLIOTT: This is one of the places that have been receiving consideration. Various hon. members have pointed out the need for a public building there. The points that have to be considered are the facilities available and at a number of the places mentioned by my hon. friend we were unable to secure buildings that were at all suitable or even nearly as suitable as that in which the business is being carried on at Wynyard at the present time. At Lloydminster, as my hon. friend knows, we had to erect a building because the old one was burned down. All the circumstances of each particular case have to be considered and we have not been able to get an appropriation for a public building at Wynyard.

Mr. CAMPBELL: The building at Wynyard is certainly not suitable for the accommodation required. The part of the building occupied by the post office and the only part they can get for post office use is very small and utterly inadequate to serve the needs of the people.

Item agreed to.

Public buildings—Alberta—Camrose—public building, $53,000.

Mr. LUCAS: What progress is being made with the Camrose public building?

Mr. ELLIOTT: I think the foundations are being proceeded with, and the last report was that the work was going along very satisfactorily.

Mr. LUCAS: I understood some time ago that there was a cessation of the work. Does the minister know about that, and what the cause of it was, and whether work is again proceeding?

Mr. ELLIOTT: I cannot give the details of the dispute, but it was some difference between the contractors and one of the subcontractors which caused delay for a time. I understand that the work is now proceeding.

Mr. DONNELLY: Is this public building for a customs house or for both post office and customs house purposes, and what is the revenue from these two departments at Camrose?

Mr. ELLIOTT: The postal revenue for 1928-29 was $16,652, and the customs revenue $77,332.

Item agreed to.

Vegreville—public building, $37,000.

Mr. COOTE: Before the resolution for Alberta is reported, Mr. Chairman, I want to suggest to the Minister of Public Works that his department has owned some lots in the town of High River for some twenty years, and there was a vote passed for the erection of a public building in High River in 1914. The need for a public building there is sufficiently great, I am sure, for the minister to see that it is taken care of in the supplementary estimates. The present building is totally inadequate, and I do not think there is any other building in the town which could be secured at any price to house the post office.

Item agreed to.

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

Mr. FRASER: How much of that $45,000 that was appropriated last year has been spent?

Mr. ELLIOTT: The expenditure was $36,364.

Mr. FRASER: What is the extra amount required for this year?

Mr. ELLIOTT: My hon. friend will understand that as the number of buildings throughout the country increases, the amount required for improvements, repairs and maintenance also increases.

Mr. FRASER: While that may be very true, I would point out that the minister is not increasing the number of public buildings in British Columbia in proportion to the number being erected in other provinces.

Mr. ELLIOTT: I think my hon. friend will be fair enough to say that the province of British Columbia has fared pretty well, if not in public buildings in other ways, in recent years.

Item agreed to.

**Kimberley—public building, $18,000.**

Mr. ESLING: Is the building to be erected on the original site selected for that purpose? I am sorry the Minister of Health is not in his seat because I wanted to ask him a question in connection with this matter. He should be in his seat now.

Mr. ELLIOTT: This is not the original site. The town closed a road allowance or street, and an exchange was made with the town of Kimberley of the original site for the present site, which was thought to be advantageous.

Mr. ESLING: Why was the exchange made after the original site had been purchased?

Mr. ELLIOTT: My recollection is that the town offered to exchange a site which it owned but which was not available as a site for our purposes until a certain street or streets were closed. Negotiations were entered into with the town looking to the exchange of the original site for the site which the town owned, provided that the town of Kimberley would close this road or street, or whatever it was, so as to give access to the site that was being obtained. This exchange was recommended.

Mr. ESLING: I am glad that the Minister of Health is now in his seat. As a matter of fact, this is just one of the instances in which the Vancouver Sun, which hon. members know is a pronounced Liberal organ, charges the Minister of Health—he was the sole survivor of the last political wreck there—with the distribution of patronage in order that he might retain his seat. I think the transaction before us affords very fair substantiation of that charge. The facts are—the present Minister of Public Works, of course, does not know them—that the Minister of Health had a political friend who wanted to make a little ready money, and the Minister of Health, who goes on the public platform in British Columbia, tells the people that nothing can be done in or for British Columbia without his recommendation. Therefore we must take it for granted that he recommended the purchase of the property.

Mr. KING (Kootenay): When did the minister ever make such a statement?

Mr. ESLING: In the city of Nelson. I sat in the audience.

[Mr. Fraser.]

Mr. KING (Kootenay)): Never; no such statement was made.

Mr. ESLING: He received great applause when he made that statement.

Mr. ELLIOTT: Did you cheer?

Mr. ESLING: I cheered, yes. The facts are just about like this, and I leave it to the house to judge the case. The minister had a political friend in Cranbrook, and that friend wanted to unload something on the government and so he sold them three lots for $5,500 on the recommendation of the Minister of Health, who had an order in council put through. Next year a vote for the construction of a building was put in the estimates. When it was known that the building was to be erected on the site purchased, the people of Kimberley, independent of party, Liberal and Conservative alike, all wired in protest to Ottawa against the construction of a public building on this site for the reason that the location was unsuitable, objectionable and away from the centre of the town. Now, $5,500 was spent for a site which was recommended by the minister, a site which was unsuitable and objectionable. It must be taken for granted, in view of that fact, that the minister's judgment of real estate is just about as poor as his political judgment. But the fact is that this property for which he paid $5,500 at the time of the purchase was actually assessed for $850. Let me emphasize that—$850 was the assessed value of the property that the minister recommended should be purchased by the government at $5,500. The people of the town objected, and it was only because there happened to be the end of a blind street available that the minister was able to make an exchange with the then provincial government, which was of the same political complexion as his own. That, in my opinion, bears out the charges in the Vancouver Sun that the Minister of Health merely uses his position for the distribution of patronage in British Columbia in order that he may retain his seat. I extend to the minister from British Columbia the very timely and courteous suggestion that if he has a chance to slip into the Senate by the grace of the Prime Minister he had better take advantage of it.

Mr. KING (Kootenay): Mr. Chairman, I am not going to take up much of the time of the committee in reply to my hon. friend's statements. Two or three lots in Kimberley were offered to the department. Following the usual procedure, an official of the depart-

ment went to Kimberley, and it was on his recommendation—not on the recommendation of the minister—that the property was bought.

Mr. ESLING: Will you just say—

Mr. KING (Kootenay): Order. You have had your say; sit down.

The CHAIRMAN: Order.

Mr. KING (Kootenay): My hon. friend need not worry about the possibility of the minister being returned to this parliament. He will have sufficient to do to look after his own interests.

Mr. ESLING: I always have.

Mr. KING (Kootenay): So have I. But I want to put him straight because he has been going around the country making these statements, and they are not in accordance with the facts. The property was bought on the recommendation of the proper official of the department. As to its value, this was one of the cheaper properties offered for sale. The property was within a block of the centre of the city. It is true that the citizens desired the post office in the centre; but the property offered in that location or near it was not offered for $5,500 but for $16,000. This was considered to be too great a price to pay. However, as the citizens were very much interested in the proposed public building and desired to have it in a central location, it was found possible to exchange the site with the provincial government for a street end, and this brought the post office into a very good location. I was very glad to concur in the suggestion, and when my hon. friend goes to Kimberley, as I hope he will this year, he will see there the fine little post office building which stands to the credit of this government and of the minister.

Mr. ESLING: The post office building, we admit, is a very creditable building, but it has nothing to do with this site. Notwithstanding what the minister says, he must admit that the citizens of Kimberley wired and wrote here protests against the purchase of that site as being unsuitable and objectionable. The minister cannot deny that he stood on the platform at Nelson and said that nothing could be done in or for the province of British Columbia without his recommendation, and I say that the purchase of these lots was not made without his recommendation. Why, does the minister think for one moment that the present Minister of Public Works (Mr. Elliott) is going to do anything in British Columbia without consulting him? It stands to reason that he would act only on the recommendation of his colleague. Having said that nothing can be done without his recommendation, he must accept responsibility for having paid $5,500 for a useless site purchased from a political friend of his, and, as I have said, that site was assessed at $850 at the time of purchase. He cannot deny that. I have the records.

Mr. KING (Kootenay): I have denied it.

Mr. ELLIOTT: May I say to my hon. friend that I am the one who must accept responsibility for the purchase of this site. I appreciate very greatly the advice and assistance of my colleague the Minister of Health in regard to any matter in the province of British Columbia or elsewhere throughout the Dominion. He was my predecessor in this office and I have the greatest respect for his judgment in regard to anything pertaining to this or any other department. But this site was obtained after the most careful inquiry and investigation, the same as any other site that is purchased for a public building, and I do not believe my hon. friend from West Kootenay will say for a moment that sites have been obtained for public buildings without the greatest possible care being exercised as to their selection and price.

Item agreed to.

Vancouver public building—to meet one year's interest at 5 per cent on mortgage of $400,000, $20,000.

Mr. FRASER: How many more payments are due on this building?

Mr. ELLIOTT: It is not a question of annual payments on the building; it is for interest on the mortgage against the property.

Item agreed to.

Public buildings generally—flags for Dominion public buildings, $5,000.

Mr. COOTE: I am just wondering if this is to purchase Canadian flags?

Mr. ELLIOTT: Is my hon. friend really wondering?

Item agreed to.

Experimental farms—replacements, repairs, improvements, etc., $100,000.

Mr. ESLING: Does the minister know anything about the purchase or sale of land in connection with the experimental farm at Windermere, and whether that also was recommended by the Minister of Health?

Mr. ELLIOTT: I think my hon. friend will have to inquire from my colleague the Minister of Agriculture (Mr. Motherwell) with regard to that.

Mr. ESLING: Does the minister say I must make inquiry of the Minister of Agriculture with regard to an item in one of his votes?

Mr. ELLIOTT: No; my information is that there was no purchase made by this department at the point mentioned by my hon. friend.

Mr. ESLING: I have received a communication concerning the purchase of a parcel of land in connection with the experimental farm at Windermere, in the district represented by the Minister of Pensions and National health. The correspondent has not a very high regard for the land in question. In his communication he says that it is nothing but rock and roots, and that as a matter of fact the purchase of this land created some amusement among the residents of that community. The purchase was made a short time prior to the visit of the Minister of Agriculture, and the charge is made that in order to make the land presentable to the eyes of the minister the employees were given crowbars with which they dug holes along the roadway leading to the farm; then they were given instructions to cut fir trees and plant them in the holes, so that the minister might have the impression that what met his view was the natural landscape. I do not know whether that procedure was recommended by the Minister of National Health but I am informed that this tree-planting was done.

Sir EUGENE FISET: That is a new method of reforestation.

Mr. McQUARRIE: I can see no appropriation in the estimates for an addition to the New Westminster post office. That matter has been discussed before in this house, and the addition is badly required. The business done in the office warrants the expenditure. When the Postmaster General visited New Westminster he promised that we would get the addition; he said that it was absolutely necessary, and as a result, I believe on the ground of urgent necessity he recommended the expenditure. He made that statement in this house last session. The Minister of Public Works came along with his broadaxe and slashed it off. I now ask the hon. gentleman why he took that action. The Minister of Public Works and the Postmaster General have no doubt received communications from the Board of Trade, the city council and other organizations in New Westminster urging the absolute necessity for the construction of this addition. I know as a matter of fact that the business of the post office is seriously embarrassed at the present time, and in the busy seasons the present facilities are entirely inadequate. It is not necessary to buy a new site. The site is there; it is simply a case of erecting an addition which would not entail the expenditure of very much money. I remember of course that when the Prime Minister (Mr. Mackenzie King) was in British Columbia he told the people that their difficulty arose from the fact that they did not elect enough Liberals.

Some hon. MEMBERS: Hear, hear.

Mr. McQUARRIE: That seems to be the policy under which the Minister of Public Works is proceeding.

Mr. ELLIOTT: Why?

Mr. McQUARRIE: I wish to tell those hon. gentlemen that the people in New Westminster, irrespective of their politics, are interested in this matter. They are not particularly anxious to spend the money, but they recommend the expenditure because they feel it is an absolute necessity. I would like to hear an explanation from the Minister of Public Works as to why he lopped off the amount which was recommended by the Postmaster General.

Mr. ELLIOTT: I would like to say that if my hon. friend has not been able to find in these estimates the item to which he refers, I am afraid it is not there; that is the best explanation I can give as to why he has not been able to find it. Representations have been made to the department in regard to the needs in New Westminster, as they have been made in regard to many other places throughout the Dominion.

Mr. McQUARRIE: By the Postmaster General?

Mr. ELLIOTT: Many recommendations have been made by the Postmaster General which we have not been able to meet. When my hon. friend referred to the fact that the Minister of Public Works wielded a big axe he gave evidence of the fact that he does not know the Minister of Public Works as well as the Minister of Public Works might wish. For the information of the hon. gentleman I would like to say that the big axe is wielded by four men on the treasury board, and sixteen other men in the council. The result has been that many buildings which the Minister of Public Works considered necessary have not been erected, so that expenditures

may be available for dredging and various other public works. I am sure that even the residents of New Westminister would agree that some of these expenditures there have been even more necessary than that which would be required for the erection of a new building at New Westminster.

Mr. McQUARRIE: The Minister of Public Works seems to be in a humorous mood this afternoon, and his followers seem to think that he has been very clever.

Some hon. MEMBERS: He has.

Mr. McQUARRIE: I do not have to prove it; he admits it. He may be very clever, and it may be all right for this government to preach economy, but I want to tell the hon. gentleman that the people out at the coast know what is happening in other parts of Canada. When they know that money is thrown away for parks, in the city of Ottawa, and that they cannot get sufficient money in New Westminster to carry on, they have good and sufficient reasons for dissatisfaction. Perhaps the hon. gentleman will not feel so happy after the elections; I do not believe he will.

Mr. ELLIOTT: Oh, I hope to feel much better.

Mr. McQUARRIE: And I do not think his backers will feel so happy. He may tell us of expenditures which have been recommended by the Postmaster General and which have been disallowed by the treasury board, but I think if recommendation were made by the Postmaster General and the Minister of Public Works, New Westminster would soon have an addition to its post office. The minister may play his game of politics, but I do not think the people out there will appreciate his little joke.

Item agreed to.

Rents, repairs, furniture, heating, etc.—Ottawa public buildings and grounds—departments generally—char service, including $150 to E. Snowden for firing the noon gun, $400,000.

Mr. COOTE: What pay is given to charwomen who do service in the Ottawa public buildings?

Mr. ELLIOTT: They are paid $1.25 for two and a half hours' work.

Mr. COOTE: Per day?

Mr. ELLIOTT: Yes.

Item agreed to.

Repairs, improvements, additions and maintenance, $700,000.

Mr. BOYS: Is any portion of this item required for the pulling down of additional buildings in the city of Ottawa? If not, is there any provision in any of the items for such work?

Mr. ELLIOTT: The clearing which is being done around the Confederation building will probably be completed this year. It is not however included in the present vote; it comes under a special vote.

Mr. BOYS: I had in mind the buildings in the vicinity of the old Russell hotel. I am instructed that there are more buildings to be taken down and further roadways and improvements to be completed. If this is a convenient time to answer my question, I would like to know what particular buildings are being destroyed. For instance, is the Ottawa post office to be removed under the present program?

Mr. ELLIOTT: No.

Mr. BOYS: Are the buildings close to the Roxborough apartments to be removed, and what about the church north of that?

Mr. ELLIOTT: I think all the things to which my hon. friend has referred to are matters for the city, that is, with the exception of the post office. There is nothing in contemplation with regard to the post office coming down this year.

Mr. BOYS: There is no doubt, I think, that there is further work in contemplation. Perhaps it is not yet decided upon, but there is other work, is there not?

Mr. ELLIOTT: Nothing further provided for by this department at the present time.

Mr. BOYS: It is in connection with the Federal District Commission, is it not?

Mr. ELLIOTT: No.

Mr. BOYS: Take the buildings that were pulled down between the Aylmer apartments and the canal; was not that work done by the Department of Public Works?

Mr. ELLIOTT: That was under the jurisdiction of the Federal District Commission, and the Department of Public Works did not have anything to do with it.

Mr. BOYS: You provided the money for it?

Mr. ELLIOTT: No.

Mr. McQUARRIE: I should like to ask the minister if he thinks the treasury board would pass a little item for the cleaning and restoring of some of the statues on the grounds of this building. Some of them are getting into a very disgraceful condition, notably the statues of Sir Wilfrid Laurier and Sir John A. Macdonald. Something should be done to take care of them properly. Last session I drew the attention of the minister to the corner stone of the building, and he had the inscription renewed, which made a great improvement. Perhaps the proper official responsible has overlooked attending to the statues on the grounds.

Mr. ELLIOTT: What my hon. friend refers to is very largely the oxidization from the sulphur fumes which come from across the river, and there is no way of preventing that.

Mr. McQUARRIE: Surely they can be cleaned up and looked after.

Mr. ELLIOTT: No, it is the same as the action on the roofs of the buildings.

Mr. McQUARRIE: But you can get at them without much trouble. Do you say nothing can be done? They are in a disgraceful condition; surely something should be done to restore them.

Item agreed to.

Public buildings—Ottawa—new departmental building, $1,200,000.

Mr. FRASER: What building is this?

Mr. ELLIOTT: That is the Confederation building.

Item agreed to.

Ottawa—National Research Council laboratories and equipment, $1,500,000.

Mr. FRASER: Where are these laboratories?

Mr. ELLIOTT: They are on Sussex street

Item agreed to.

Ottawa—Addition to central heating plant, $130,000.

Mr. NEILL: I should like to ask the minister if it is proposed to use pulverized coal in this addition to the central heating plant.

Mr. ELLIOTT: Yes.

Item agreed to.

[Mr. Elliott.]

Public Works—harbour and rivers—lower lakes terminal, $3,100,000.

Mr. ROSS (Kingston): Will the minister say if any of this grant is for the improvement of the St. Lawrence river leading to the terminal?

Mr. ELLIOTT: No, this is for the lower lakes terminal, but the next item has to do with the channel.

Mr. COOTE: What is to be the storage capacity at that terminal?

Mr. ELLIOTT: It will be 5,500,000 bushels.

Mr. ROSS (Kingston): In 1928 when the minister made the decision in the house, he coupled with that the statement that this was being done on condition that the United States paid its share of the work in the preparation of the river. Has the minister received any assurance that the United States will do so?

Mr. ELLIOTT: The United States now has in its harbours and rivers bill an appropriation for this particular work.

Mr. ROSS (Kingston): For how much?

Mr. ELLIOTT: There is an amount of $180,000, if I recollect aright, with regard to certain shoals in the channel, and a total amount if I am not mistaken of something around $1,000,000 for that channel.

Mr. ROSS (Kingston): When the minister made that statement in regard to this selection he knew then, and he also knew when the work began, that he had not the consent of the United States. In July, 1928, the United States absolutely refused to carry out the program and I do not know what influences have been at work to secure even the small grant of $180,000. Will the minister tell us that he is sure of that $1,000,000?

Mr. ELLIOTT: In 1928, when that statement was made, there was an appropriation in the United States harbours and rivers bill providing for this work, even to the extent of doing $65,000 worth of work in Canadian waters if the Canadian government did not feel disposed to do it. However, there were certain delays with regard to having the bill passed upon by congress, and a new bill was introduced a short time ago, just at the last session, making provision for the work in this channel.

Mr. ROSS (Kingston): At what time in 1928 was that provision made in the United States?

Mr. ELLIOTT: At the time their harbours and rivers bill was presented to congress; it was prior to the time that our estimates were being considered. If I remember correctly, there was a distinct understanding—

Mr. ROSS (Kingston): Why did the minister make the statement that it was on condition of the United States undertaking—

Mr. ELLIOTT: I did not make that statement.

Mr. ROSS (Kingston): I have that statement right here.

Mr. ELLIOTT: My hon. friend will find that the statement I made was that if satisfactory arrangements could be made with the United States regarding their portion of the channel, and those arrangements are being carried out.

Mr. ROSS (Kingston): The hon. minister stated that an amount was included in their estimates, at the time our estimates were being prepared. In July, 1928, you had received an absolute refusal, and no statement to that effect was made in the house. We asked for the papers in connection with this matter, but we were told that because they contained important matters the minister did not desire to lay them on the table. Those papers have since been laid on the table and they do not contain anything which would have prevented their being brought down at that time. Until a few weeks ago the United States had given an absolute refusal to carry on this work. The hon. minister knew that at the time.

Mr. ELLIOTT: I know my hon. friend desires to be absolutely fair, but I think he is under a misapprehension when he makes the statement that there was a refusal on record at the time.

Mr. ROSS (Kingston): I would ask that this item stand over until I bring the file down.

Mr. ELLIOTT: I shall be very glad to do that.

Mr. ROSS (Kingston): I will read the statement of your engineers.

Mr. ELLIOTT: If there is any objection, I shall be very glad to allow the item to stand so that my hon. friend may read the files.

Mr. ROSS (Kingston): I have the files in my office.

The CHAIRMAN: Shall the item carry?

Mr. ROSS (Kingston): No, I object to the item carrying, unless you intend to force it through.

Mr. ELLIOTT: I think my hon. friend will agree as to the necessity of this vote being put through. I will undertake to produce all the information, but I would suggest that he first allow the vote to go through.

Mr. ROSS (Kingston): I do not require any information, I have it myself. That file contains communications from the engineers dated July, 1928, saying that the United States had turned down the proposition. I would not stop public works from going on, but I want to make the statement that I do not think the minister has played fair in this matter. We accepted his word that there were certain reasons why the papers could not be brought down, but since that time the papers have been secured and they contain nothing of the nature intimated by the minister. We accepted this proposition at that time on the understanding that the United States was going to do its share of the work in order to enable large boats to come down to this terminal. I submit that the minister was most unfair when he said that there were reasons which prevented these papers being submitted to the house.

Mr. ELLIOTT: I have known my hon friend for many years, and I know that there is no hon. member of this house who is more desirous of being fair. However, if he looks up Hansard he will see that the statement was made that no objection would be taken to my hon. friend or any other hon. member of this house looking at the correspondence, but that I did not think it advisable at that time to have it laid on the table.

Mr. ROSS (Kingston): I will admit that the minister went just that far and said that if we wanted to force it we could look at the correspondence. I do not intend to prevent the progress of any great public work simply because my own constituency is concerned, but I contend that the decision was based on very unfair grounds. I do not claim that Kingston had everything in its favour, but the decision was made most unfairly. In 1928 the matter was left in abeyance because of the rush of closing, but this year the papers were brought down and they contain no valid reason for the minister's refusal to table them when requested. One of the large steamship companies has objected to going

so far down the river, and has spent its own money in the building of an elevator at another point. That to me seems the strongest criticism and condemnation of the selection. With these facts before the committee, I will permit the item to go through.

Item agreed to.

Mr. ELLIOTT: I think this completes the Public Works estimates.

Mr. MACKENZIE KING: Would it be agreeable to hon. members opposite to take up now the estimates of the Department of Labour? The Minister of Labour intends to leave town for two or three days.

Mr. BOYS: I understood that Interior and Indian Affairs were to be considered next.

Mr. MACKENZIE KING: The Department of Agriculture was mentioned, but as the Minister of Labour is leaving the city for a day or two, it would be preferable, if my hon. friends agree, to take up his estimates next.

DEPARTMENT OF LABOUR

Labour—Annuities Act, $75,000.

Mr. BOYS: I remember some years ago this matter was under consideration and it was then hoped that the cost of annuities might be made a little less to those seeking to purchase them. The present minister may not have any record of what took place then, but at the time hopes were held out that some benefit would accrue along that line. Is there any hope that the cost of annuities to those seeking to purchase them may be reduced?

Hon. PETER HEENAN (Minister of Labour): The information I get from the experts is that owing to the increased length of life, there is an idea that we ought to increase the cost of annuities instead of decreasing it. At the present time no company can compete with the government in regard to annuities. There is at present no thought of decreasing the price.

Mr. BOYS: I remember at that time the financial position showed that some money was being made by the government. It was then freely admitted that it was not the desire of the government to make money by the scheme, but that the government wished, if possible, to furnish annuities at cost with perhaps a reasonable reserve against unforeseen contingencies. It would be interesting to the committee to have a statement from the minister as to the annual receipts, disbursements and surpluses.

[Mr. A. E. Ross.]

Mr. McGIBBON: What has been the increase in the expectancy of life in the last three or four years?

Mr. HEENAN: I have not under my hand the information with regard to the increased length of life, but I think all insurance companies claim that the length of life is increasing. I am glad to know that too.

Mr. McGIBBON: They are not increasing the premiums.

Mr. HEENAN: Did my hon. friend wish a statement showing the number of annuities that are being sold to-day as compared with previous years?

Mr. BOYS: Unfortunately I did not know that this was coming up or I might have looked up the debate of the year to which I refer. It was about six to eight years ago that this very feature was under discussion in the committee. It was then clearly shown that the department was making money and those in charge at that time were of opinion that if that situation continued there would be a possibility of reducing the cost of the annuities. We have had, I believe, no further statement in regard to the matter since then. If the minister can give reasons why there is no chance of reducing the cost but on the other hand a chance of increasing it, we would be interested in having them.

Mr. HEENAN: I shall be glad to give my hon. friend a statement on Monday. It has been represented by the head of the insurance department that in the long run we shall probably lose rather than make money by this scheme. I have not the information at hand because I had not expected that this question would come up.

Mr. BOYS: I do not want to press for something the minister cannot supply. Apparently he has before him nothing to show the receipts and disbursements and whether or not the selling of annuities is profitable. If it is not profitable, it goes without saying that the cost should be increased; if it is profitable, the cost should be reduced.

Mr. GERSHAW: Is sufficient care being taken by those who are selling annuities to acquaint the applicants with all the details? There had come to my notice a case where an annuity was sold by the department, and the applicant, after paying premiums for a number of years, found that it meant something altogether different from what he thought at first. Is this phase of the question carefully watched?

Mr. HEENAN: Of course I have no knowledge of anyone misrepresenting an annuity to anyone. If I had, I should be glad to take the matter up, but I cannot understand why anyone should make misrepresentations. There might be some cases of misunderstandings. When we advertise annuities we ask that prospective applicants apply to the department for information, and we issue pamphlets giving the fullest information possible.

Mr. HEAPS: Does this amount of $75,000 represent the cost of administering the Annuities Act?

Mr. HEENAN: It includes everything, such as advertising, commissions, except, of course, the salaries of the permanent staff.

Mr. HEAPS: What is the amount of the total premiums received per annum?

Mr. BOYS: Is the minister able to give me the information now, or does he want the item to stand? I am absolutely in favour of government annuities; I think we should do everything we can to encourage them. I am glad to see that in connection with the Income War Tax Act there is to be an exemption of $5,000 in this connection. We want to do all we can to encourage the buying of annuities, but what I am anxious to see is that they should be made a little cheaper to the public. We cannot exercise any proper judgment if the minister is unable to give us information as to the extent of the business, the receipts, the disbursements and the reserve that is necessary to take care of future liabilities, having regard to the expectation of life and so on. These items are essential to an intelligent discussion of the subject.

Mr. HEENAN: I think I can give all information required except that.

Mr. BOYS: Except what?

Mr. HEENAN: Information from the head of the insurance department representing that we are selling our annuities too cheaply; that we ought to increase the price in order to cover overhead expenses and things of that sort. I shall be glad to give that in detail on Monday. The statement is a lengthy one.

Mr. BOYS: If that be the case, the situation has absolutely changed since discussion in the house when, if I remember correctly, the Hon. James Murdock was Minister of Labour. If that be so, we ought to know it because it is rather serious. Will the item stand so far as that information is concerned?

Mr. HEENAN: If the hon. member insists, we shall have to let the item stand.

Mr. McGIBBON: Will the minister give us the comparative cost of government annuities with those of a company like the Sun Life? I went into this matter a few years ago and I found I could do better with companies like the Sun Life than with the government. If that be the case, it disproves to a certain extent the statement the minister makes that they are losing money.

Mr. FRASER: There is some information I desire with regard to this item which the minister may not have with him at present. In volume II of the Auditor General's report, part M-5, I find the following charge:

> Amount required to recoup the Annuities branch on account of defalcations by W. J. Fleming, annuities agent at Regina (order in council P.C. 21—436, dated March 13, 1929, $1,282.05.

Can the minister give the details of that now, or does he want it to stand over?

Mr. HEENAN: I can give them now, but the question will probably be raised again. It was just a case where a man sold some annuities, collected the premiums and forgot to turn in the money, retaining it himself. We followed him until we found him, and prosecuted, with the result that he went to gaol.

Mr. BOYS: Was there no security?

Mr. HEENAN: No.

Mr. FRASER: That is just the point I want to follow up. Was this man not bonded by the department?

Mr. HEENAN: No.

Mr. FRASER: I asked the minister a question earlier in the session and in reply he told me that he had made a return as required by the act of his officials who were bonded. I have that return. I have read it, and there is not a single official of the Department of Labour named in it, notwithstanding the fact that the minister said that that information would be in the return. I want to know what explanation the minister has for making an answer of that kind. I have the return here and will send it over to the minister if he would like to see it.

Mr. HEENAN: The appointment of agents on commission is a new departure in the last few years. We found that people were applying for annuities and nobody was following up these prospects. This particular man was the first one to default. He was not bonded. But after that every agent was bonded. My answer to question No. 4 of my hon. friend was, "No information."

Mr. FRASER: But the minister is required by the act to make a return each year of the

officials who are bonded. I have the return before me, and there is not a single official of the department named in it.

Mr. HEENAN: All our permanent officials are bonded.

Mr. FRASER: My question is not whether your officials are bonded. My point is that the minister is not making a return such as he is ordered to make to parliament so that the information may be available to hon. members.

Mr. HEENAN: I will let the item stand.

Mr. FRASER: The minister will be able to give me more information when it comes up again?

Mr. HEENAN: Yes.

Item stands.

Combines Investigation Act, $30,000.

Mr. McGIBBON: In what state is the A.B.C. investigation?

Mr. HEENAN: It is in the courts now.

Mr. McGIBBON: How much money was spent on it?

Mr. HEENAN: My hon. friend is speaking of the inquiry, not the court procedure?

Mr. McGIBBON: I was not limiting my question to the courts. I asked how much money had been spent on the investigation.

Mr. HEENAN: For the investigation, $34,000.

Mr. BOYS: That is what was spent last year?

Mr. HEENAN: Yes.

Item agreed to.

Administration, Employment Offices' Co-ordination Act, $17,000.

Mr. SIMPSON: What has the Department of Labour to do with employment offices? I thought they were largely provincial.

Mr. HEENAN: We give them a subvention to help them to carry on.

Item agreed to.

Fair wages and inspection, $15,000.

Mr. MacDONALD (Cape Breton): What are the exact duties that these fair wage officers perform? We had one of them down in Sydney not long ago looking into the wages paid at the steel works. Has the minister received any report or finding from that officer?

Mr. HEENAN: Our fair wage officers have nothing to do with private industry. Their business is with public undertakings, to see that the fair wage policy is carried out, and to investigate any complaints that may be made. There are times, however, when we use these officers as conciliation officers when there is danger of a strike or something of that nature, and they keep us posted how the negotiations are proceeding. Very often they are called upon to act as conciliators in disputes.

Mr. FRASER: How many of these officers are there?

Mr. HEENAN: One in the maritimes, one in Montreal, one in Toronto, one in Winnipeg and one in Vancouver.

Mr. FRASER: What territory does the officer in Vancouver cover?

Mr. HEENAN: He covers British Columbia, Alberta and Saskatchewan.

Mr. MacDONALD (Cape Breton): With regard to the officer in Halifax, is there some labour trouble down there among the painters? Is the officer taking any part in that dispute, and if so, has he made any report?

Mr. HEENAN: That is the only strike we have in Canada to-day, the painters' strike in Halifax, and I hope within the next day or two it will be settled.

Item agreed to.

Administration, Old Age Pensions Act, $10,000.

Mr. LUCAS: I understand that when a pensioner under the act has any property he has to make an assignment to the government.

Mr. HEENAN: No. There is a provision in the act to that effect, but the federal government has no authority to take property from anyone, and I have been advised that neither does any province administering an old age pension act take property from anyone or require him to transfer it.

Mr. LUCAS: A case of that kind was called to my attention by one of the municipal secretaries, who was worried about the taxes on the property which he said had been assigned to the government. I have the assurance of the minister, however, that that is not correct.

Mr. HEENAN: Yes.

Item agreed to.

Technical Education Act, $2,000.

Mr. FRASER: What is the significance of this vote of $2,000?

Mr. HEENAN: We have to carry on under the act another four years. We had a staff in connection with the $10,000,000 vote for

technical education, and this $2,000 is required to enable us to carry on until the balance of the vote is exhausted.

Mr. BRADY: Does that $2,000 cover the cost for the nine provinces?

Mr. HEENAN: Yes, for travelling expenses only.

Mr. FRASER: In the Auditor General's report I find a charge for hospital medical care for Mrs. Charles Caucutt, who sustained injuries while attending the employment service council meetings. What are the circumstances justifying a payment of this kind?

Mr. HEENAN: She was one of the lady delegates at that meeting, and while here engaged on government business, broke her leg here in the building.

Item agreed to.

Labour—salaries, $269,045; contingencies, $30,000.

Mr. FRASER: How many employees has the minister in the department at present?

Mr. HEENAN: There are 136.

Mr. FRASER: The minister is asking for an increase?

Mr. HEENAN: Yes, six.

Mr. FRASER: How many were in the department when the minister took charge?

Mr. HEENAN: I cannot state the exact number, but we have a few increases owing to the extension of the work of the department, such as old age pensions, annuities, conciliation, and so on. I hope next year to be in a position to ask for a couple more fair wage officers.

Mr. FRASER: There is a departmental solicitor?

Mr. HEENAN: Yes.

Mr. FRASER: Is that a new appointment?

Mr. HEENAN: Yes.

Mr. SPENCER: To what extent are the public taking advantage of annuities?

Mr. MACKENZIE KING: That item is held over.

Mr. FRASER: What other important departmental officials have been appointed by the minister?

Mr. HEENAN: The minister has not appointed any; the Civil Service Commission has. It appointed the solicitor for the department, the chief conciliation officer, and the fair wage officer in Halifax.

Mr. FRASER: When the position of chief conciliation officer was created by the minister was the senior wage investigator given the position?

Mr. HEENAN: No, a new man came in.

Mr. FRASER: What was the justification for bringing in a new man when there was already an experienced officer in the department who had been carrying on the work for years?

Mr. HEENAN: It was advertised and thrown open by the Civil Service Commission. We have got probably one of the best gentlemen in the whole Dominion for the position, as results will show.

Mr. FRASER: What is his name?

Mr. HEENAN: Major S. Campbell.

Mr. FRASER: Were his qualifications superior to those of the men who had been carrying on the work before?

Mr. HEENAN: It is not altogether qualifications that count in conciliation work; temperament and experience are the essentials. This gentleman had a great deal of experience in negotiating wage agreements and acting on committees for labour men long before he came here.

Mr. FRASER: Was he appointed over the heads of the men in the department because he had a wider experience than they?

Mr. HEENAN: To my notion the present gentleman has a wider experience than any other officer.

Mr. FRASER: Was that the reason for his appointment?

Mr. HEENAN: Yes.

Mr. HEAPS: I notice the minister's private secretary is getting $4,080, and there is also an allowance of $600.

Mr. HEENAN: That is not for the private secretary; it is the secretarial allowance.

Mr. FRASER: Was there a secretary in the department when the minister took charge?

Mr. HEENAN: Yes.

Mr. FRASER: What were the travelling and incidental expenses of the minister himself for the year ending March 31, 1930?

Mr. HEENAN: About $2,700.

Mr. FRASER: Does that include automobile expenses and all other private expenses of the minister?

Mr. HEENAN: That is the amount of the minister's own private expenses, $2,700.

Mr. FRASER: Including travelling expenses?

Mr. HEENAN: All travelling expenses.

Mr. FRASER: Chauffeur and automobile expenses?

Mr. HEENAN: No.

Mr. FRASER: I should like to have a statement including those expenses. My friend suggests aeroplane expenses as well.

Mr. HEENAN: The expenditures out of contingencies for the whole department were as follows:

| | |
|---|---|
| Salaries | $ 5,203 |
| Travelling expenses | 4,162 |
| Telephone and telegrams | 7,635 |
| Printing and stationery | 6,874 |
| Sundries | 5,101 |

Mr. FRASER: Evidently the minister has not understood my question. What was the amount the minister expended in connection with his personal expenses for the year?

Mr. HEENAN: I gave my hon. friend my own personal expenses—$2,700.

Mr. FRASER: Does that sum include the minister's travelling and automobile expenses, and all similar items?

Mr. HEENAN: No, it does not include automobiles; it includes only my personal expenses.

Mr. FRASER: Does it include the minister's travelling expenses?

Mr. HEENAN: Yes.

Mr. FRASER: His travelling expenses were $2,700?

Mr. HEENAN: Yes.

Mr. FRASER: Does it include his automobiles, the renewal of his automobiles, repairs, sundries and gasoline?

Mr. HEENAN: No, that is additional.

Mr. FRASER: It includes all his travelling expenses?

Mr. HEENAN: Yes, in Canada.

Mr. FRASER: In or out of Canada—I want to have all the information.

Mr. HEENAN: Yes.

Mr. FRASER: $2,700.

Mr. HEENAN: Yes.

Mr. FRASER: May we have the other item as to automobile expenses?

Mr. HEENAN: That is part of the $28,000.

Mr. FRASER: Do I understand that the expenses of the hon. gentleman in connection with the discharge of his duties as Minister of Labour amount to $28,000?

Mr. HEENAN: No, no.

Mr. FRASER: What is the cost to the Dominion of Canada of the Minister of Labour in connection with the discharge of his duties? That is what I am trying to get.

Mr. HEENAN: I can tell the hon. gentleman that there is a salary of $10,000, $4,000 indemnity and $2,700 travelling expenses. I have not the automobile expenses before me. It is all included however in the item of $28,000.

Mr. FRASER: As I understand the minister—

Some hon. MEMBERS: Carried.

Mr. FRASER: If hon. members insist upon interrupting, they will be here just that much longer. The longer they shout the longer it will take to pass the item. I wish to have a correct answer to my question. May I infer that the minister costs the Dominion of Canada $50,000?

Some hon. MEMBERS: No.

Mr. HEENAN: I do not know what my hon. friend is asking. If there is any information he wishes to have we may go into all the items thoroughly. I may tell the hon. gentleman that it cost the people of Canada $2,700 last year for the travelling expenses of the Minister of Labour, and for that sum he travelled about 40,000 miles, at an average cost of seven cents a mile. He went here, there and everywhere, when any dispute arose. In addition he visited the mines and other places at the request of the miners; he visited different industries to see the conditions under which men were labouring, and in all he covered about 40,000 miles.

Mr. FRASER: I have before me an excerpt from the report of the Auditor General showing the expenditures for the year ended March 31, 1929. In that year the expenditures were as follows: Salary $10,000, indemnity, $4,000, personal expenses, $2,600, minister's automobile renewal, repairs, sundries and gasoline, $2,301, and expenses to Geneva, $6,691, making a total of $25,592. As far as I can learn from the Auditor General's report, that is the answer to the question I have addressed to the minister.

An hon. MEMBER: Then why did you ask it?

Mr. FRASER: The figures I have quoted are for the year 1929; I want information for the year 1930. Can the minister give me, either now or at some future time, a detailed statement for 1930, to correspond with the one I have given for 1929?

Mr. BANCROFT: The hon. gentleman stated that last year the cost was $50,000 Did he multiply by two the expenditures for the year 1928-29?

Mr. FRASER: No, I did not multiply anything. I added up the figures which the minister gave me across the floor of the house and the result was very close to $50,000.

Mr. ROSS (Moose Jaw): Has the hon. member any objection to that sum of money being spent in the Department of Labour?

Mr. FRASER: No, not at all. I am trying to get an accurate statement of what the Minister of Labour cost this country; I am not objecting to the expenditure in any shape or form.

Mr. BANCROFT: I would ask the minister to tell us how many strikes there have been in Canada during the last year.

Mr. FRASER: I do not know what that has to do with it.

Mr. BANCROFT: I directed my question to the minister, not to the hon. gentleman across the floor.

Item agreed to.

Progress reported.

## HALIBUT FISHERIES

CONVENTION BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the house adjourns I wish to lay on the table a copy of the convention between Canada and the United States for the preservation of the halibut fisheries of the North Pacific ocean, Behring Sea, signed at Ottawa on May 9, 1930, in respect to the Dominion of Canada, by the plenipotentiary named therein.

On motion of Mr. Mackenzie King the house adjourned at 6.20 p.m.

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# Monday, May 26, 1930

The house met at eleven o'clock.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS, VANCOUVER HOTEL

Mr. BLACK (Yukon):

1. Has the government received any communication from the city of Vancouver protesting against delay in the construction of the Canadian National hotel at Vancouver?
2. Why has the work on this hotel been delayed for such a long period?
3. Who is the contractor in charge of the work, and when is it expected that it will be completed?

Mr. CRERAR:

1. The Department of Railways and Canals has no record of any communication.

2. Considering the size of the hotel, and the importance of the problems involved, the Canadian National Railway authorities feel that the work has not been delayed to any great extent. Excavation was started in December, 1928, in order to fufil the promise made by Canadian National Railways to the city of Vancouver that the work would be started before December 31st of that year. At that time, the plans were only in a preliminary stage, but, in the meantime, the Canadian National Railways were able to provide work for a considerable number of men during the winter of 1928-29. In June, 1929, it was realized by the president of the Canadian National Railways that, in view of the probable future progress of the city of Vancouver, it would be advisable to increase the size of the hotel, at the same time designing it so that additional accommodation could be provided at a later date. This necessitated a restudy of the plans, and this scheme is now being carried out. The hotel is at present designed to provide six hundred rooms, with the possibility of adding a further four hundred rooms in the future. The foundation work has been completed, and over two thousand tons of steel has already been erected.

3. The E. J. Ryan Contracting Company, Limited, of Vancouver, is in charge of the work. It is the intention to open the hotel during the month of May, 1932.

INMATES OF PENITENTIARIES

Mr. LUCHKOVICH:

1. How many persons were incarcerated in Canadian penitentiaries during the year 1929?
2. What is the racial origin of the various prisoners?

Mr. LAPOINTE: The answers to the above questions may be found on page seven of the annual report of the superintendent of penitentiaries, for the fiscal year ended March 31, 1929, and are as follows:—

| | |
|---|---|
| 1. 2,769. | |
| 2. White | 2,589 |
| Coloured | 60 |
| Indian | 42 |
| Indian halfbreed | 7 |
| Mongolian | 71 |
| | 2,769 |

SUBSIDIES TO PROVINCES

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of subsidies?

Mr. MACKENZIE KING:

Subsidies to Provinces paid from 1922-23 to 1929-30

| Fiscal Year | Prince Edward Island | Nova Scotia | New Brunswick | Quebec | Ontario | Manitoba |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| 1922-23 | 381,931 88 | 661,866 06 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,466,380 16 |
| 1923-24 | 381,931 88 | 661,866 06 | 666,765 76 | 2,256,419 88 | 2,642,611 60 | 1,485,118 56 |
| 1924-25 | 381,931 88 | 661,853 67 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,501,551 36 |
| 1925-26 | 381,931 88 | 661,841 28 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,501,551 36 |
| 1926-27 | 381,931 88 | 661,841 28 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,491,836 16 |
| 1927-28 | 381,931 88 | 661,841 28 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,491,836 16 |
| 1928-29 | 381,931 88 | 661,841 28 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,500,213 76 |
| 1929-30 | 381,931 88 | 661,841 28 | 666,765 76 | 2,256,419 88 | 2,642,611 68 | 1,508,591 36 |
| | 3,055,455 04 | 5,294,792 19 | 5,334,126 08 | 18,051,359 04 | 21,140,893 44 | 11,947,078 88 |

| Fiscal Year | Saskatchewan | Alberta | British Columbia | Total for all the Provinces |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| 1922-23 | 1,763,883 00 | 1,628,638 20 | 738,816 66 | 12,207,313 28 |
| 1923-24 | 1,901,069 00 | 1,651,536 60 | 738,816 66 | 12,386,136 08 |
| 1924-25 | 1,757,005 00 | 1,674,435 00 | 738,816 66 | 12,281,390 89 |
| 1925-26 | 1,850,755 00 | 1,674,435 00 | 738,816 66 | 12,375,128 50 |
| 1926-27 | 2,032,575 00 | 1,643,942 20 | 738,816 66 | 12,516,740 50 |
| 1927-28 | 2,032,575 00 | 1,643,942 20 | 738,816 66 | 12,516,740 50 |
| 1928-29 | 2,047,935 00 | 1,657,188 60 | 738,816 66 | 12,553,724 50 |
| 1929-30 | 2,063,295 00 | 1,576,685 00 | 738,816 66 | 12,496,958 50 |
| | 15,449,092 00 | 13,150,802 80 | 5,910,533 28 | 99,334,132 75 |

Department of Trade and Commerce

Mail subsidies and steamship subventions paid to Government of British Columbia.

| | |
|---|---|
| 1925-26 | $ 3,000 |
| 1926-27 | 3,000 |
| 1927-28 | 3,000 |
| 1928-29 | 3,000 |
| 1929-30 | 3,000 |
| Total | $ 15,000 |

GRANTS TO MARITIME PROVINCES

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the maritime provinces of Canada, by provinces, in each of the several fiscal years since April, 1, 1922, on account of special grants to the said provinces pending further consideration of provincial subsidies?

Mr. MACKENZIE KING:

| Fiscal Year | Pr. Edward Island | Nova Scotia | New Brunswick | Total |
|---|---|---|---|---|
| 1927-28 | $ 125,000 | $ 875,000 | $ 600,000 | $1,600,000 |
| 1928-29 | 125,000 | 875,000 | 600,000 | 1,600,000 |
| 1929-30 | 125,000 | 875,000 | 600,000 | 1,600,000 |
| | $ 375,000 | $2,625,000 | $1,800,000 | $4,800,000 |

GRANTS FOR HIGHWAY CONSTRUCTION

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of highway construction?

[Mr. Sanderson.]

Mr. MACKENZIE KING:

Dominion Aid Payments under The Canada Highways Act

| — | Prince Edward Island | Nova Scotia | New Brunswick | Quebec | Ontario |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| April 1, 1922 to Mar. 31, 1923 | 106,277 01 | 811,068 84 | 371,973 01 | 1,143,879 51 | 2,047,918 28 |
| April 1, 1923 to Mar. 31, 1924 | 124,079 40 | 97,347 82 | 297,202 60 | 1,117,065 68 | 1,377,440 88 |
| April 1, 1924 to Mar. 31, 1925 | 34,158 56 | 61,601 76 | 56,365 65 | 1,306,766 21 | 840,646 14 |
| April 1, 1925 to Mar. 31, 1926 | 180,025 21 | 12,288 79 | ..... | 640,490 61 | 181,671 32 |
| April 1, 1926 to Mar. 31, 1927 | 15,156 10 | ..... | ..... | ..... | 50,000 00 |
| Mar. 1, 1927 to Mar. 31, 1928 | ..... | ..... | ..... | ..... | 53,269 37 |
| | 459,696 28 | 982,307 31 | 725,541 26 | 4,208,202 01 | 4,550,945 99 |

| — | Manitoba | Saskatchewan | Alberta | British Columbia | Totals |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| April 1, 1922 to Mar. 31, 1923 | 165,547 47 | 544,820 71 | ..... | 662,910 88 | 5,854,395 81 |
| April 1, 1923 to Mar. 31, 1924 | 557,372 32 | 360,130 31 | ..... | 135,571 13 | 4,066,210 14 |
| April 1, 1924 to Mar. 31, 1925 | 79,279 87 | 335,759 80 | 210,585 93 | ..... | 2,925,163 92 |
| April 1, 1925 to Mar. 31, 1926 | 133,535 04 | 85,943 71 | 415,374 01 | ..... | 1,649,328 69 |
| April 1, 1926 to Mar. 31, 1927 | 57,744 29 | 163,966 25 | 59,629 88 | ..... | 346,496 52 |
| Mar. 1, 1927 to Mar. 31, 1928 | 257,045 27 | 121,860 93 | 792,220 18 | ..... | 1,224,395 75 |
| | 1,250,524 26 | 1,612,481 71 | 1,477,810 00 | 798,482 01 | 16,065,990 82 |

GRANTS FOR AGRICULTURAL INSTRUCTION

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of agricultural instruction?

Mr. MACKENZIE KING:

Grants to Provinces under the Agricultural Instruction Act

| | 1922-23 | 1923-24 | Totals |
|---|---|---|---|
| Alberta | $ 100,448 43 | $ 66,937 64 | $ 167,386 07 |
| British Columbia | 69,199 06 | 61,842 92 | 131,041 98 |
| Manitoba | 77,113 11 | 68,665 65 | 145,778 76 |
| New Brunswick | 64,110 80 | 50,938 67 | 115,049 47 |
| Nova Scotia | 81,716 69 | 61,783 51 | 143,500 20 |
| Ontario | 336,303 26 | 254,001 57 | 590,304 83 |
| Prince Edward Island | 31,749 22 | 27,068 32 | 58,817 54 |
| Quebec | 271,113 76 | 208,339 45 | 479,453 21 |
| Saskatchewan | 81,728 48 | 80,422 27 | 162,150 75 |
| | $1,113,482 81 | $880,000 00 | $1,993,482 81 |

GRANTS FOR TECHNICAL EDUCATION

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of technical education?

Mr. MACKENZIE KING:

| — | 1922–23 | 1923–24 | 1924–25 | 1925–26 | 1926–27 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Prince Edward Island | 5,858 46 | 6,550 56 | 1,950 76 | 7,254 66 | 7,757 33 |
| Nova Scotia | 33,166 00 | 35,501 95 | 34,623 67 | 30,999 96 | 31,494 87 |
| New Brunswick | 17,476 06 | 20,382 00 | 43,040 51 | 93,874 50 | 76,208 59 |
| Quebec | 128,182 27 | 328,682 25 | 263,399 70 | 299,143 78 | 403,944 25 |
| Ontario | 314,206 97 | 347,636 30 | 347,636 30 | 347,636 30 | 347,636 30 |
| Manitoba | 25,121 14 | 20,092 49 | 19,500 37 | 19,488 77 | 20,056 34 |
| Saskatchewan | 18,263 84 | 18,397 18 | 17,249 37 | 20,083 89 | 18,021 83 |
| Alberta | 71,019 91 | 57,613 63 | 62,215 61 | 72,731 78 | 85,789 16 |
| British Columbia | 34,932 38 | 53,535 26 | 40,860 48 | 53,123 05 | 56,627 03 |
| Totals | 648,227 03 | 888,391 62 | 830,476 77 | 944,336 69 | 1,047,535 80 |

| — | 1927–28 | 1928–29 | 1929–30 | Totals |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Prince Edward Island | 11,981 85 | 20,369 79 | 22,117 30 | 83,840 71 |
| Nova Scotia | 29,224 77 | 47,083 50 | 21,525 08 | 263,619 80 |
| New Brunswick | 70,107 03 | 48,637 81 | 51,951 21 | 421,677 71 |
| Quebec | 329,072 14 | 372,890 80 | 125,302 35 | 2,250,617 64 |
| Ontario | 347,636 30 | 347,636 30 | ..... | 2,400,024 77 |
| Manitoba | 27,529 51 | 28,527 44 | 41,541 51 | 201,857 57 |
| Saskatchewan | 17,048 13 | 25,159 90 | 60,505 89 | 194,730 03 |
| Alberta | 74,000 10 | 92,222 30 | 21,779 82 | 537,372 31 |
| British Columbia | 59,355 49 | 169,637 42 | 68,563 73 | 536,634 84 |
| Totals | 965,955 32 | 1,152,165 26 | 413,286 89 | 6,890,375 38 |

GRANTS FOR AMORTIZATION OF DEBT AGAINST SCHOOL BUILDINGS

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Nova Scotia and New Brunswick in each of the several fiscal years since April 1, 1924, on account of the amortization of the debt against certain school buildings, construction of which was commenced prior to the expiration of the Technical Education Act?

Mr. MACKENZIE KING:

| | 1924-25 | 1925-26 | 1926-27 | 1927-28 | 1928-29 | 1929-30 | Totals |
|---|---|---|---|---|---|---|---|
| Nova Scotia | $ 20,000 | $20,000 | $20,000 | $20,000 | $20,000 | $8,389 08 | $108,389 08 |
| New Brunswick | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | — | 25,000 00 |
| | $ 25,000 | $25,000 | $25,000 | $25,000 | $25,000 | $8,389 08 | $133,389 08 |

GRANTS FOR EMPLOYMENT OFFICES

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of employment offices?

Mr. MACKENZIE KING:

| — | 1922-23 | 1923-24 | 1924-25 | 1925-26 | 1926-27 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Prince Edward Island | ..... | ..... | ..... | ..... | ..... |
| Nova Scotia | 8,274 88 | 7,421 94 | 4,229 71 | 3,932 42 | 3,955 64 |
| New Brunswick | 6,808 32 | 6,312 92 | 4,082 42 | 4,143 88 | 4,103 34 |
| Quebec | 18,314 96 | 17,081 78 | 13,249 72 | 15,124 48 | 16,207 96 |
| Ontario | 82,764 92 | 69,991 09 | 61,379 77 | 59,893 13 | 60,814 49 |
| Manitoba | 30,755 94 | 23,016 89 | 14,279 59 | 13,914 05 | 12,677 15 |
| Saskatchewan | 30,528 08 | 25,151 76 | 18,844 59 | 19,645 64 | 19,225 02 |
| Alberta | 28,845 76 | 20,757 79 | 13,631 04 | 13,736 05 | 13,422 51 |
| British Columbia | 30,739 74 | 30,265 83 | 20,303 16 | 19,610 35 | 19,593 89 |
| Totals | 237,032 60 | 200,000 00 | 150,000 00 | 150,000 00 | 150,000 00 |

| — | 1927-28 | 1928-29 | 1929-30 | Totals |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Prince Edward Island | ..... | ..... | ..... | ..... |
| Nova Scotia | 3,902 39 | 3,845 26 | 3,931 08 | 39,493 32 |
| New Brunswick | 4,054 52 | 3,992 90 | 3,984 74 | 37,483 04 |
| Quebec | 16,797 95 | 16,797 98 | 18,334 65 | 131,523 42 |
| Ontario | 61,617 45 | 61,381 08 | 61,570 02 | 519,411 95 |
| Manitoba | 12,478 91 | 12,715 38 | 11,507 58 | 131,345 49 |
| Saskatchewan | 18,752 66 | 18,886 30 | 18,452 11 | 169,486 16 |
| Alberta | 13,130 52 | 12,932 20 | 12,712 28 | 129,168 15 |
| British Columbia | 19,265 60 | 19,834 96 | 19,507 54 | 179,121 07 |
| Totals | 150,000 00 | 150,000 00 | 150,000 00 | 1,337,032 60 |

GRANTS FOR UNEMPLOYMENT RELIEF

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of unemployment relief: (a) Department of Labour; (b) Department of Pensions and National Health?

Mr. MACKENZIE KING:

| (a) | 1922-23 | 1923-24 | 1926-27 | Totals |
|---|---|---|---|---|
| Prince Edward Island | ..... | ..... | ..... | ..... |
| Nova Scotia | $ 1,149 41 | ..... | 6,720 25 | 7,869 66 |
| New Brunswick | 4,833 48 | ..... | ..... | 4,833 48 |
| Quebec | 38,574 58 | ..... | ..... | 38,574 58 |
| Ontario | 519,598 85 | 1,275 54 | 44,571 82 | 565,446 21 |
| Manitoba | 82,741 67 | ..... | 14,745 99 | 97,487 66 |
| Saskatchewan | 18,232 71 | ..... | ..... | 18,232 71 |
| Alberta | 50,899 26 | 2,852 14 | 11,436 50 | 65,187 90 |
| British Columbia | 207,242 20 | ..... | ..... | 207,242 20 |
| Totals | $923,272 16 | 4,127 68 | 77,474 56 | 1,004,874 40 |

(b)

| Province | 1922-23 | 1923-24 | 1924-25 | 1925-26 | 1926-27 | 1927-28 | 1928-29 | 1929-30 | — | Total Payments by Provinces |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Alberta | 44,316 86 | 5,003 68 | 6,389 15 | 7,262 84 | 7,352 50 | 9,762 51 | 6,836 34 | 11,333 26 | | 98,257 14 |
| British Columbia | 101,478 10 | 5,924 71 | 2,524 14 | 11,765 55 | 29,078 54 | 43,228 70 | 56,852 80 | 71,795 92 | | 322,648 46 |
| Manitoba | 75,817 00 | 39,930 88 | 69,469 84 | 51,061 00 | 43,219 58 | 47,786 34 | 47,827 66 | 92,311 54 | | 467,423 84 |
| New Brunswick | 25,846 19 | 633 63 | 252 69 | 1,136 43 | 1,642 50 | 2,767 11 | 3,854 42 | 7,852 74 | | 43,985 71 |
| Nova Scotia and Prince Edward Island | 57,700 47 | 9,007 52 | 5,545 23 | 44,134 03 | 13,995 50 | 7,187 44 | 10,272 91 | 17,820 24 | | 165,663 34 |
| Ontario: | | | | | | | | | | |
| Eastern | 39,088 43 | 22,026 43 | 36,593 47 | 29,994 29 | 38,560 58 | 45,144 57 | 50,109 79 | 62,717 63 | 324,237 19 | |
| Central | 456,164 68 | 147,793 07 | 210,829 69 | 150,373 73 | 158,662 68 | 160,021 90 | 112,585 48 | 137,135 39 | 1,533,566 62 | |
| Western | 20,587 65 | 2,837 28 | 5,872 90 | 6,290 82 | 5,920 18 | 40,115 03 | 17,208 18 | 30,137 60 | 128,969 64 | |
| Totals for Ontario | 515,840 76 | 172,658 78 | 253,296 06 | 186,658 84 | 203,143 44 | 245,281 50 | 179,903 45 | 229,990 62 | | 1,986,773 45 |
| Quebec | 195,860 82 | 73,363 71 | 90,084 84 | 66,616 71 | 71,612 41 | 68,494 69 | 64,640 50 | 70,463 59 | | 701,137 27 |
| Saskatchewan | 19,223 83 | 5,486 07 | 6,409 18 | 3,909 62 | 4,036 67 | 5,971 62 | 8,741 39 | 16,374 42 | | 70,152 80 |
| | 1,036,084 03 | 312,008 98 | 433,971 13 | 372,545 02 | 374,081 14 | 430,479 91 | 378,929 47 | 517,942 33 | Total for Canada. | 3,856,042 01 |
| Great Britain, U.S.A. and other Countries | 2,079 32 | | | | | | 58 39 | 54 86 | | 2,142 57 |
| Total | 1,038,163 35 | 312,008 98 | 433,971 13 | 372,545 02 | 374,081 14 | 430,479 91 | 378,987 86 | 517,947 19 | | 3,858,184 58 |

NOTE.—No relief was paid to the provinces by the Department of Pensions and National Health but the above is a statement of monies spent in the various provinces for the relief of unemployed pensioners.

GRANTS FOR ERADICATION OF VENEREAL DISEASE

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April, 1922, on account of eradication of venereal diseases?

Mr. MACKENZIE KING:

| Province | Fiscal Year 1922–23 | Fiscal Year 1923–24 | Fiscal Year 1924–25 | Fiscal Year 1925–26 | Fiscal Year 1926–27 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Alberta | 11,979 62 | 12,069 68 | 9,052 26 | 7,711 18 | 7,711 18 |
| Ontario | 57,473 68 | 60,171 83 | 45,128 86 | 38,443 12 | 38,443 12 |
| Nova Scotia | 10,573 86 | 10,744 33 | 8,058 25 | 6,864 43 | 6,864 43 |
| Saskatchewan | 15,361 63 | 15,537 16 | 11,652 87 | 9,926 52 | 9,926 52 |
| Manitoba | 12,611 20 | 8,930 75 | 9,385 52 | 7,705 58 | 7,995 07 |
| New Brunswick | 7,517 83 | 6,710 35 | 5,966 74 | 5,082 78 | 5,082 78 |
| British Columbia | 14,628 19 | 10,759 61 | 8,069 71 | 6,874 20 | 6,874 20 |
| Quebec | 47,388 80 | 48,430 14 | 36,322 61 | 30,941 48 | 30,941 48 |
| Prince Edward Island | ..... | ..... | ..... | ..... | ..... |
| Total payments by years | 177,534 81 | 173,353 85 | 133,636 82 | 113,549 29 | 113,838 78 |

| — | Fiscal Year 1927–28 | Fiscal Year 1928–29 | Fiscal Year 1929–30 | Total payments by Provinces |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Alberta | 6,504 21 | 6,504 21 | 6,504 21 | 68,036 55 |
| Ontario | 32,425 93 | 32,425 93 | 32,425 93 | 336,938 40 |
| Nova Scotia | 5,790 00 | 5,790 00 | 5,790 00 | 60,475 30 |
| Saskatchewan | 8,372 80 | 8,372 80 | 8,372 80 | 87,523 10 |
| Manitoba | 6,743 67 | 6,743 67 | 6,743 67 | 66,859 13 |
| New Brunswick | 4,287 22 | 4,287 22 | 4,287 22 | 43,222 14 |
| British Columbia | 5,798 23 | 5,798 23 | 5,798 23 | 64,600 60 |
| Quebec | 26,098 47 | 26,098 47 | 26,098 47 | 272,319 92 |
| Prince Edward Island | ..... | 173 50 | 204 68 | 378 18 |
| Total payments by years | 96,020 53 | 96,194 03 | 96,225 21 | 1,000,353 32 |

GRANTS FOR WAR PENSIONS

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury in each of the fiscal years since April 1, 1922, on account of war pensions in each of the provinces?

Mr. MACKENZIE KING:

European War Pensions

| — | 1922-23 | 1923-24 | 1924-25 | 1925-26 | 1926-27 | 1927-28 | 1928-29 | 1929-30 | — | Total Payments |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Alberta | 2,115,444 80 | 2,134,766 11 | 2,224,654 41 | 2,374,071 22 | 2,416,589 27 | 2,538,403 43 | 2,643,151 96 | 2,580,157 07 | ..... | 19,027,238 27 |
| British Columbia | 3,636,002 31 | 3,719,668 21 | 3,876,291 78 | 4,136,639 24 | 4,210,723 74 | 4,422,975 67 | 4,605,492 06 | 4,495,728 24 | ..... | 33,153,521 25 |
| Manitoba | 2,692,384 30 | 2,716,975 04 | 2,831,378 34 | 3,021,545 18 | 3,075,659 08 | 3,230,695 27 | 3,364,011 59 | 3,283,836 28 | ..... | 24,216,485 08 |
| New Brunswick | 961,565 82 | 970,348 23 | 1,011,206 55 | 1,079,123 28 | 1,098,449 67 | 1,153,819 74 | 1,201,432 71 | 1,172,798 67 | ..... | 8,648,744 67 |
| Nova Scotia and Prince Edward Island | 1,859,027 25 | 1,876,006 58 | 1,954,999 33 | 2,086,305 01 | 2,123,669 36 | 2,230,718 16 | 2,322,769 91 | 2,267,410 76 | ..... | 16,720,906 36 |
| Ontario— | | | | | | | | | | |
| Eastern | 1,794,922 86 | 1,811,316 70 | 1,887,585 56 | 2,014,363 46 | 2,050,439 38 | 2,153,796 85 | 2,242,674 39 | 2,189,224 18 | 16,144,323 38 | |
| Central | 6,987,378 29 | 7,051,197 14 | 7,348,100 93 | 7,841,629 17 | 7,982,067 60 | 8,384,423 44 | 8,730,411 03 | 8,522,337 00 | 62,847,544 60 | |
| Western | 1,987,236 03 | 2,005,386 34 | 2,089,826 87 | 2,230,188 11 | 2,270,129 32 | 2,384,560 80 | 2,482,960 93 | 2,423,783 92 | 17,874,072 32 | 96,865,940 30 |
| | 10,769,537 18 | 10,867,900 18 | 11,325,513 36 | 12,086,180 74 | 12,302,636 30 | 12,922,781 09 | 13,456,046 35 | 13,135,345 10 | | |
| Quebec | 2,371,862 36 | 2,393,525 63 | 2,494,309 49 | 2,661,837 42 | 2,709,509 19 | 2,846,088 69 | 2,963,534 02 | 2,892,903 39 | ..... | 21,133,570 19 |
| Saskatchewan | 1,538,505 31 | 1,552,557 17 | 1,617,930 48 | 1,726,597 25 | 1,757,519 47 | 1,846,111 58 | 1,922,292 34 | 1,876,477 87 | ..... | 13,837,991 47 |
| Total | 25,994,329 33 | 26,231,747 15 | 27,336,283 74 | 29,172,299 34 | 29,694,755 95 | 31,191,593,63 | 32,478,730 94 | 31,704,657 38 | ..... | 233,804,397 59 |

GRANTS FOR OLD AGE PENSIONS

Mr. SANDERSON:

What amounts of money have been paid from the federal treasury to the provinces of Canada, by provinces, in each of the several fiscal years since April 1, 1922, on account of old age pensions?

Mr. MACKENZIE KING:

| | 1927-28 | 1928-29 | 1929-30 | Totals |
|---|---|---|---|---|
| Prince Edward Island | ..... | ..... | ..... | ..... |
| Nova Scotia | ..... | ..... | ..... | ..... |
| New Brunswick | ..... | ..... | ..... | ..... |
| Quebec | ..... | ..... | ..... | ..... |
| Ontario | ..... | ..... | $1,127,844 16 | $1,127,844 16 |
| Manitoba | ..... | $242,303 86 | 582,343 99 | 824,647 85 |
| Saskatchewan | ..... | 191,041 97 | 468,929 43 | 659,971 40 |
| Alberta | ..... | ..... | 133,710 01 | 133,710 01 |
| British Columbia | 131,452 01 | 399,340 95 | 494,025 55 | 1,024,818 51 |
| Totals | $131,452 01 | $832,686 78 | $2,806,853 14 | $3,770,991 93 |

SUBSIDIES AND GRANTS TO PROVINCES SINCE APRIL 1, 1922

Mr. SANDERSON:

What is the total amount of money paid from the federal treasury to the provinces of Canada, by provinces, since April 1, 1922, on account of subsidies, special grants to the maritime provinces pending further consideration of provincial subsidies, highway construction, agricultural instruction, technical education, amortization of the debt against certain school buildings, construction of which was commenced prior to the expiration of the Technical Education Act, employment offices, unemployment relief, eradication of venereal diseases, war pensions and old age pensions?

Mr. MACKENZIE KING:

Payments to provinces since 1922

| | |
|---|---|
| Ontario | $ 32,558,138 76 |
| Quebec | 26,031,085 35 |
| Nova Scotia | 10,011,859 55 |
| New Brunswick | 8,945,286 92 |
| Prince Edward Island | 4,176,946 47 |
| Manitoba | 15,017,320 34 |
| British Columbia | 9,320,947 48 |
| Alberta | 15,729,473 79 |
| Saskatchewan | 18,547,441 15 |
| Total | $ 140,338,499 81 |

The above amounts do not include the sum of $237,370,421.60 that has been expended on soldiers' pensions and relief to unemployed pensioners in the various provinces of Canada.

NATIONAL PARK, QUEBEC PROVINCE

Mr. MACDONALD (Richmond-West Cape Breton):

1. Has the government reached any decision as to the establishment of a national park in the province of Quebec?

2. Has any representation been made to the government regarding this matter: (a) by the province; (b) by others; if so, who are they?

Mr. STEWART (Edmonton):

1. It is the policy of the government to develop a national park in each province, provided the province makes available for this purpose, free of charge to the Dominion and free of encumbrance, a compact area of national parks standard. So far the provincial government of Quebec has not suggested to the department that it take over for administration as a national park any area in Quebec, and no representations in this regard seem to have been made direct to the department by other parties.

2. (a) and (b) answered by No. 1.

SUBSIDIES AND GRANTS TO PROVINCES, FISCAL YEAR 1930-31

Mr. SANDERSON:

What is the total amount of money paid or estimated to be paid from the federal treasury to the province of Canada, by provinces, during the fiscal year 1930-1931, on account of subsidies, special grants to the maritime provinces pending further consideration of provincial subsidies, highway construction, agricultural instruction, technical education, amortization of the debt against certain school buildings, construction of which was commenced prior to the expiration of the Technical Education Act, employment offices, unemployment relief, eradication of venereal diseases, war pensions and old age pensions?

Mr. MACKENZIE KING:

| | |
|---|---|
| Ontario | $ 5,536,537 61 |
| Quebec | 2,300,518 35 |
| Nova Scotia | 2,195,631 28 |
| New Brunswick | 1,713,348 22 |
| Prince Edward Island | 529,136 56 |
| Manitoba | 2,176,835 03 |
| British Columbia | 1,304,114 89 |
| Alberta | 2,164,939 21 |
| Saskatchewan | 2,760,167 80 |
| Total | $20,681,228 95 |

Note: The above figures do not include the sum of $51,250,000 that is expected to be spent in the various provinces on soldiers' pensions, relief to unemployed pensioners and veterans' allowances during the fiscal year 1930-31.

ASSISTED FREIGHT RATES ON COAL

Mr. SANDERSON:

What amounts of money have been paid, or are owing, from the federal treasury to railways, in each of the fiscal years since April 1, 1922, in connection with assisted movements of coal to the central provinces: (a) from the maritime provinces; and (b) from Alberta?

Mr. MACKENZIE KING:

(a) From maritime provinces:

| Fiscal year | Payments |
|---|---|
| 1922-1923 | ..... |
| 1923-1924 | ..... |
| 1924-1925 | $ 11,051 07 |
| 1925-1926 | 3,217 91 |
| 1926-1927 | ..... |
| 1927-1928 | ..... |
| 1928-1929 | 23,318 27 |
| 1929-1930 | 55,693 90 |
| Total | $ 93,281 15 |

Note: In addition to the above, 150,812 tons of maritime province coals were transported to the province of Quebec during the fiscal years 1928-1929 and 1929-1930 under the $3 freight rate as provided by Order in Council P.C. 539, dated 30th March, 1928. A decision as to actual cost of the movement has not yet been reported by the Board of Railway Commissioners, consequently an amount cannot at present be estimated.

(b) From Alberta:

| Fiscal year | Payments |
|---|---|
| 1922-1923 | ..... |
| 1923-1924 | ..... |
| 1924-1925 | ..... |
| 1925-1926 | ..... |
| 1926-1927 | $ 4,298 08 |
| 1927-1928 | ..... |
| 1928-1929 (owing) | 47,454 72 |
| 1929-1930 (owing) | 83,192 48 |
| Total | $134,954 28 |

MARITIME FREIGHT RATES ACT, PAYMENTS

Mr. SANDERSON:

1. What amount has been paid by the government to railways under the Maritime Freight Rates Act (1927) from July 1, 1927, to December 31, 1929, on account of the 20 per cent reduction in rates enjoyed by shippers east of Levis and Diamond Junction, Quebec?

2. What sum has been paid by the government to each railway in the preferred area on rate reduction account during the period in question?

3. What sum has been contributed by the government on deficit account to Canadian National Railways during the same period, as provided by the Maritime Freight Rates Act?

Mr. MACKENZIE KING:

1. $7,596,852.89.

| 2. 20 per cent reductions | July 1 to December 31, 1927 | Calendar Year 1928 | Calendar Year 1929 | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Canadian National Railways Eastern Lines | 931,809 89 | 2,151,527 75 | 2,451,818 12 | 5,535,155 76 |
| Canadian Pacific Railway, including Fredericton and Grand Lake Coal & Railway, New Brunswick Coal and Railway Company | 130,962 64 | 261,051 34 | 258,494 36 | 650,508 34 |
| Atlantic, Quebec and Western Railway | 9,974 20 | 24,015 70 | *6,786 23 | 40,776 13 |
| Quebec Oriental Railway Company | 4,905 52 | 12,370 03 | *5,143 29 | 22,418 84 |
| Canada and Gulf Terminal Railway | 890 39 | 3,237 85 | 3,412 32 | 7,540 56 |
| Cumberland Railway and Coal Co | 13,597 03 | 31,507 33 | 32,064 79 | 77,169 15 |
| Dominion Atlantic Railway | 86,971 71 | 180,936 59 | 197,804 72 | 465,713 02 |
| Maritime Coal, Railway & Power Company | 10,980 96 | 21,436 23 | 20,395 47 | 52,812 66 |
| Sydney & Louisburg Railway Company | 150,408 00 | 277,632 24 | 257,914 02 | 685,954 26 |
| Temiscouata Railway Company | 12,964 11 | 16,705 85 | 29,134 21 | 58,804 17 |
| Total | 1,353,464 45 | 2,980,420 91 | 3,262,967 53 | 7,596,852 89 |
| Deficit, Eastern Lines | | | | |
| 3. Canadian National Railways, Eastern Lines deficits (other than occurring from Maritime Freight Rates Act) | 2,117,936 42 | 4,200,356 51 | 4,762,217 22 | 11,080,510 15 |
| Grand Total | 3,471,400 87 | 7,180,777 42 | 8,025,184 75 | 18,677,363 04 |

*These Gaspe lines acquired by Canadian National Railways June 1, 1929.

TECHNICAL ADVISERS TO THE TARIFF BOARD

Mr. CANTLEY:

1. What parties acted as technical advisers to the tariff board in connection with the revision of the iron and steel duties?
2. How many days were such advisers in attendance and on what dates?
3. What were their qualifications for the position?
4. How many and who of them were actively engaged in the iron and steel trade when appointed?
5. What remuneration was paid to each of said advisers?
6. Are they still connected with said board or when did their connection cease?

Mr. DUNNING:

1. D. H. McDougall; G. D. MacDougall; J. Dix Fraser; Prof. G. E. Jackson; Prof. W. A. Mackintosh.

2. D. H. McDougall—25 days, fiscal year 1928-29 (intermittently); G. D. Macdougall—14 days, fiscal year 1928-29 (intermittently); J. Dix Fraser—20 days, fiscal year 1928-29 (intermittently); Prof. G. E. Jackson—June 15, 1927, to Oct. 15, 1927; Dr. W. A. Mackintosh—July 7, 1927, to Nov. 30, 1927. May 18, 1928, to Oct. 6, 1928. Summer of 1929 (intermittently).

3. Messrs. D. H. McDougall, G. D. Macdougall and J. D. Fraser are engineers specialising in the iron and steel industry. Professors Jackson and Mackintosh are economists.

4. Messrs. D. H. McDougall, G. D. Macdougall and J. Dix Fraser were engaged in the practice of their professions as consulting engineers in respect to the iron and steel industry.

5. D. H. McDougall, $100 per day; G. D. Macdougall, $50 per day; J. Dix Fraser, $75 per day; Prof. G. E. Jackson, $400 per month; Prof. W. A. Mackintosh, $400 per month.

6. Their investigations in the iron and steel industry ceased on the following dates: D. H. McDougall, February 27, 1929; G. D. Macdougall. February 27, 1929; J. Dix Fraser, February 27, 1929; Prof. G. E. Jackson, October 15, 1927; Prof. W. A. Mackintosh, October 1, 1929.

IMPORTS OF FARM IMPLEMENTS

Mr. GOTT:

1. What was the value of farm implements imported into Canada during each of the calendar years 1924, 1925, 1926, 1927, 1928 and 1929?
2. What was the value of farm implements imported into Canada during each fiscal year ending March 31, 1924, 1925, 1926, 1927, 1928, 1929 and 1930?
3. What was the value of farm implements exported by the Dominion of Canada each year since 1924?

Mr. MALCOLM:

1. Canada's imports of farm implements and machinery during the calendar years 1924 to 1929, were:

| Calendar Year | |
|---|---|
| 1924 | $ 6,585,750 |
| 1925 | 11,234,839 |
| 1926 | 17,630,949 |
| 1927 | 26,101,338 |
| 1928 | 39,893,490 |
| 1929 | 31,845,326 |

2. Canada's imports of farm implements and machinery during the fiscal years ending March 31, 1924 to 1930, were:

| Fiscal Year | |
|---|---|
| 1924 | $ 11,766,285 |
| 1925 | 6,494,986 |
| 1926 | 13,336,650 |
| 1927 | 18,946,288 |
| 1928 | 29,636,449 |
| 1929 | 40,292,899 |
| 1930 | 30,075,453 |

3. Canada's exports of farm implements and machinery during the fiscal years ended March 31, 1924 to 1930, were:

| Fiscal Year | |
|---|---|
| 1924 | $ 9,339,519 |
| 1925 | 11,342,712 |
| 1926 | 13,628,341 |
| 1927 | 17,412,947 |
| 1928 | 15,643,381 |
| 1929 | 15,870,918 |
| 1930 | 18,396,688 |

"PATRONAGE" SOUTH ESSEX

*Mr. GOTT:

Who holds the government patronage for the riding of Essex South or who is the recognized government representative?

Mr. MACKENZIE KING: I am in a position to answer question No. 24 at this time, and my answer would be "the government".

## UNOPPOSED MOTIONS FOR PAPERS

GUARD PIER, PICTOU LANDING

Mr. CANTLEY:

1. For a copy of all correspondence, reports and other documents in any way relating to the work done in connection with the reconstruction or building of the guard pier situated to the eastern or seaward side of the coal loading pier at Pictou Landing, Nova Scotia.
2. All correspondence between any department of the government and the district engineer, Halifax, or any other parties in Nova Scotia, relating in any way to that structure.
3. Memorandum of cost of the work so far done, together with the estimated cost of completion.

CIVIL SERVICE SALARY INCREASES

Mr. DUFF (for Mr. Chevrier):

For a return showing amount of all increases, adjustments of bonuses, allowances, etc., granted to the civil service of Canada, both inside and outside services, since the first day of January, 1922, and similar increases, bonuses and allowances, during the same period granted to employees of the federal government not under the Civil Service Commission.

SPRUCE FALLS PULP AND PAPER COMPANY

Mr. GLEN (for Mr. Bradette):

For a copy of all correspondence, letters, telegrams and other documents exchanged between the federal government and the Ontario government respecting the strike of paper makers at Spruce Falls Pulp and Paper Company, Kapuskasing, in October, 1928.

SUBMARINE CABLE, PICTOU ISLAND

Mr. CANTLEY:

1. A copy of all reports or representations made to the Minister of Public Works or any officer of the department relative to the breaking and repairing of the submarine cable between Pictou island and the mainland of Nova Scotia as between the dates, January, 1925, and April 30, 1930.

2. Copy of all instructions issued by the Public Works department or any officer thereof to the officer responsible for the maintenance of said cable.

## PRIVATE BILL

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 263, respecting the capital stock of Prudential Trust Company—Mr. Casgrain.

## HAMILTON LIFE INSURANCE COMPANY

CONCURRENCE IN SENATE AMENDMENT

Mr. C. W. BELL (West Hamilton) moved the second reading of and concurrence in amendment by the Senate to Bill No. 139, to incorporate the Hamilton Life Insurance Company.

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

## DOMINION AND MERCHANT SHIPPING LEGISLATION

APPROVAL OF RECOMMENDATIONS OF CONFERENCE HELD IN LONDON

On the order being called for government notices of motion:

Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I understand there are one or two members who would like to speak on the resolution which is in the name of the Minister of Justice, but these hon. members will not be in the house until this afternoon. If it is agreeable we might return to this motion during the course of the afternoon.

Hon. R. B. BENNETT (Leader of the Opposition): I mentioned the matter in that sense, and it would be very acceptable if that could be arranged in that way.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, could we manage in some way to understand what is going on? At this end of the chamber we could not hear that dialogue at all.

Mr. MACKENZIE KING: I was saying, Mr. Speaker, that there are one or two members who I know desire to speak to this resolution which is in the name of the Minister of Justice, but they will not be in the house until this afternoon. I was asking if it would be agreeable to the house to return to this motion this afternoon, and the leader of the opposition stated that so far as he was concerned it would be agreeable. I hope it will be equally agreeable to hon. members in the far corner.

## NAVAL CONFERENCE

APPROVAL OF TREATY FOR LIMITATION OF ARMAMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That it is expedient that parliament do approve of the international treaty for the limitation and reduction of naval armament, London, April 22, 1930, signed in respect of the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

He said: Mr. Speaker, the house has had before it for some time the copy of the London naval treaty, 1930, which was signed at St. James Palace, London, on Tuesday, April 22, 1930, and the approval of parliament of this treaty is being asked at the moment so far as the House of Commons is concerned. May I say that the treaty is signed on behalf of Canada by the Hon. Philippe Roy, who is our minister at Paris. As the house is well aware, Canada was represented at the conference by the Hon. Mr. Ralston, our Minister of National Defence. The conference, as hon. members are aware, lasted for a month or two. In order to permit of the return of the Minister of National Defence after the Easter recess Mr. Roy was requested to be present

in London for the concluding days of the conference and to sign the treaty on behalf of Canada.

It is appropriate and in the interests of all that whatever is to be said on this matter should be said by the Minister of National Defence. I shall leave it to the minister to speak on behalf of the government in asking for approval of the treaty by this house. However, before we do so, I think I may say, on behalf of hon. members of this parliament and indeed on behalf of the people of this country, that we have reason to be more than proud of the manner in which Canada was represented at the naval conference by the Minister of National Defence.

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, the importance of the subject perhaps would justify one in devoting more time to this question than is possible at the moment, in view of the lateness of the session. I am aware, of course, that it is not to any extent a contentious matter, but it is one in connection with which perhaps the members of the house and the country would desire some information from one who happened to be more or less closely associated with the negotiations.

Let me say at the outset that I greatly appreciate the words of the Prime Minister (Mr. Mackenzie King) and I am fully sensible of the honour which was conferred upon me in giving me an opportunity to be present on that momentous occasion. I am glad that apparently what was done will approve itself to the country and to this house and I can only say that the efforts which were put forth and the work which was accomplished was due not to any one man or any group of men but to the spirit of cooperation which seem to pervade that whole assembly.

Just here may I say that the coming over of the Hon. Mr. Roy, Canadian minister to France at a time of inconvenience to himself, to take up the threads of a discussion with which he had not been at all familiar except through press reports, was a matter of great satisfaction to me and to the delegation, and on behalf of the delegation and on behalf of Canada I want to express our appreciation to Mr. Roy for having taken up that work at that late date in the progress of events, and having seen it through successfully. He grasped fully and rapidly the great many intricate points which had been the subject of discussion, and which required to be known and understood in those final days in order that definite progress might be made.

When speaking of the delegation I want to acknowledge the fine services of our advisers, Commodore Hose, Chief of Naval Staff; Mr. Pearson, First Secretary of the Department of External Affairs; and Lieut. Colonel Vanier, our representative on the committees at Geneva; and of Major Brown, the secretary of the delegation. All of these gentlemen gave efficient and unfailing cooperation in connection with Canada's part of the work of the conference, and their help and constant interest were invaluable.

It is difficult just at the moment, so close to the conference, for one to back off, as it were, and get any sort of perspective to give to this house and the people of Canada regarding the progress of these negotiations. May I just divide—and this is my own personal division for the purpose of clear thinking, and perhaps for the purpose of easier understanding—the conference into four periods. The first period was during the first three weeks in which discussions were had with regard to procedure and method. By procedure I do not mean simply the way in which the conference itself was to proceed, but I mean the system which was to be adopted for the purpose of carrying out the objects of the conference. As we all know, the objects of the conference were the limitation and if possible the reduction of naval armament, and one of the important questions which arose was the method whereby that was to be done. The first three weeks were taken up with procedure, with deciding how the affairs of the conference would be carried on and deciding the method and system whereby the objects of the conference were to be carried out. There were of course at the same time many informal discussions regarding the naval needs of the powers represented. As a result of these latter discussions it was possible in the next two weeks, from about February 9 to February 19, for the various powers to formulate and publish their statements, showing their respective naval needs and also the position which they took with regard to the objects of the conference.

The third period was one of some difficulty during which we were faced with the situation that one of the great powers, France, was not represented by any delegate directly authorized by its government. The French government had been defeated, and for the time being that country was represented by His Excellency M. Fleriault, the French ambassador and M. Massigli, one of the experts of the foreign office.

The last stage was the final four weeks when the French delegation returned newly authorized, and during which time definite decisions were arrived at as to the matters which had

been the subject of discussion, and the final treaty was signed.

Concerning the method of procedure, although there were plenary sessions, the real work of the conference was largely carried on in the offices of the members of the various delegations. One or two heads of one or two different delegations would meet together for informal discussion; meetings were held in the office of the Prime Minister at the House of Commons, others at St. James palace, others at 10 Downing street, and others at the offices of the delegations at the various hotels. There could not have been a more fluid or elastic or adjustable system for a conference. It was, I believe, due to those informal discussions that the success and progress which is recorded in the instrument now before us were achieved.

I will not say anything as to the first formal meeting of the conference, but I will proceed directly to the matter of method, which required considerable attention during the early stages of the conference. The points at issue with regard to the method to be adopted were simply these; one set of powers said, "We believe that limitation should be achieved by simply allotting to certain powers a total global or world tonnage;" the other set of powers said, "That is all right, we are perfectly willing that a total world tonnage should be allotted but we want specified the classes of ships into which that tonnage is to be divided, and the maximum tonnage provided for each class." In other words, there was a contest or controversy between the advocates of the "global" and the advocates of the "category" systems. After considerable discussion the matter was referred to a committee of experts and a solution was arrived at which seemed generally satisfactory to all concerned but which, owing to certain reservations, has not been formally embodied in the treaty. That solution was embodied by the committee in a very simple sentence: "that each power represented at the present conference shall indicate, after an exchange of views with the other powers, how it will allocate its global tonnage." In other words, the principle of global tonnage was accepted, but each nation was to indicate to the others how it proposed to allocate that total into the different categories. It followed naturally that if this indication as to how the tonnage would be allocated among the different classes was inserted in the treaty then the advocates of global tonnage and the advocates of category tonnage would both be satisfied. As I have said, this proposed solution has not been embodied in the treaty but it has been forwarded by the Prime Minister of Great Britain, the chairman of the conference, to the league disarmament commission and will be considered by that body.

The next question was that raised by Italy. Italy contended that the thing to be settled first was not the amount of tonnage to be held by each particular nation or the amount of tonnage in a particular class which was to be held by any particular nation, but the proportion or ratio of tonnage to be held by those nations; in other words, whether nation A would take the same amount of tonnage as nation B, or would nation A have two-thirds or some other proportion of the tonnage of nation B. That was the question which Italy contended should be settled first, and it was put on an early agenda for consideration. However, at the request of the other powers, Italy agreed finally that the discussion might go on with regard to tonnage and classification, reserving always to Italy this matter which Italy contended was a question of first principle, that of ratio.

As I have said, while these discussions were going on during the first three weeks, the matter of program in informal discussions came up. The heads and members of the various delegations were meeting and discussing the statements which would be made as to their absolute or relative naval needs. The time came, on February 7, when the nations one after another submitted their statements to the world and to the conference. If we could adopt the analogy of a court of law, one would say that at that time the nations submitted their pleadings or their statements of claims.

On the morning of February 7, the United States published its statement, and perhaps the outstanding feature in that statement was the fact that that nation was willing to abandon its claim for twenty-one 8-inch gun cruisers, and to reduce that claim to eighteen 8-inch gun cruisers, but asked the right to reduce to fifteen 8-inch gun cruisers and to make up the difference in order to maintain parity with the British commonwealth of nations by additional 6-inch gun cruisers. An hour or two could easily be consumed in analyzing these statements, but my time is limited.

The statement of the United Kingdom was published on the same day. It dealt with general principles, pointed out that there must be a transition period when naval armament must be maintained, and it particularly urged reduction in capital ships.

The French statement followed on February 13, and called for a tonnage something like 724,000 in 1936, and pointed out that this was a great reduction from France's 1913 tonnage.

The statement of Japan followed on February 17. An examination of the statement showed that it offered an opportunity for discussion and a basis for possible agreement.

Italy published her statement on February 19, in which she reiterated her position, namely, that she felt that she must claim a parity with the strongest European power; secondly, that she was willing to reduce as low as the strongest European power and, thirdly, that she was willing to consider the abolition of submarines along with the abolition of battleships.

Using the analogy of a court of law, that brought the powers "at issue."

Mr. BENNETT: The hon. gentleman stated that the United States submitted its case indicating the ships it would require to be placed on a parity with the British commonwealth of nations, and he stated also that the United Kingdom then submitted its statement. Was that a statement on behalf of the British commonwealth of nations, and if so, what was Canada's submission in that regard, as well as the submission of Australia and the other portions of the British Empire?

Mr. RALSTON: The statement submitted by the United Kingdom was one signed and submitted on behalf of the government of the United Kingdom.

Mr. BENNETT: What was Canada's submission?

Mr. RALSTON: The submission of Canada and also of the other dominions was that they would agree to a collective total being stated for all the members of British commonwealth of nations and that they would agree that their respective naval requirements would not be such as to cause that collective total to be exceeded, it being left entirely for the British commonwealth of nations amongst themselves to agree as to what proportion each of them would require in the way of naval armament.

Mr. BENNETT: Was any proportion agreed to on behalf of Canada?

Mr. RALSTON: No.

Mr. BENNETT: Then Canada made no offer of anything at any time at this gathering?

Mr. RALSTON: This was not a conference for the purpose of providing naval armaments. This was a conference not for agreeing to provide, but rather for the purpose of agreeing to restrict naval armaments.

Mr. BENNETT: The minister has but evaded my question. My position, however, is this: the British Empire submission was not made as an empire. The hon. gentleman says that the United Kingdom made the submission, and there is an agreement that the component communities comprising the British Empire would come to an understanding amongst themselves. I asked whether Canada had made any submission. He said no, that Canada had offered to reduce. What can Canada reduce beyond what she now has?

Mr. RALSTON: I told my hon. friend that the time had not come for the agreement as to contribution. We are at present talking about an agreement to restrict, and the agreement to restrict was that Canada's naval needs and requirements would not be such as to cause to be exceeded the collective total stated by the United Kingdom in its statement and which is now contained in the treaty as the collective total for the British commonwealth of nations. When the time comes for the members of the British commonwealth of nations to meet together and decide upon their requirements, that will be the time when my hon. friend's question may be properly answered.

Mr. McGIBBON: That is not an answer at all.

Mr. BENNETT: It is not intended to be.

Mr. LAPOINTE: What does my hon. friend want?

Mr. McGIBBON: What is the government's policy?

Mr. RALSTON: I do not want to evade the question. This was a conference for the limitation and restriction of naval armaments, and the agreement made is one made on behalf of the British commonwealth of nations, signed by the component parts limiting themselves to those total needs in the aggregate. The fact that the statement was issued by the United Kingdom loses its significance entirely when we see in the treaty signed by all parts of the British empire that the total stated was the maximum total needs of the members of the British commonwealth of nations.

Then came just at a rather unfortunate time the defeat of the French government with, as I said, the necessity of proceeding without any directly authorized representative of the

French government. The discussions went on with the French ambassador and with M. Massigli, representative of the French foreign office. I cannot speak too highly of the punctiliousness and the endeavour to cooperate shown by those two gentlemen under very difficult circumstances. Considerable progress was made in discussion, although not as to decision with regard to matters which affected the French republic. At the same time discussions were proceeded with between what we may call the high seas group, that is, Japan, the United States, and the British commonwealth of nations. Those discussions continued during the three weeks when the French were not formally represented by a government representative, with the result that just about the time when the French government were able to send a newly authorized delegation, a despatch was sent to Japan, a compromise proposal, a proposal emerging from the discussions which had been held by the members of the so-called high seas group, and a proposal which is practically the one which is now embodied in the treaty regarding the naval restrictions of the forces of those three nations.

Then came the fourth period. The French delegation was back and conversations were renewed more directly between France, Italy and the United Kingdom with regard to the European situation. It would take some time to go into all the details of those conversations. The inside story of those conferences will, I suppose, never be fully known, but one can indicate what has already been made public with regard to the subjects considered at those conferences. Those subjects were two: first, there was this question with regard to parity as between France and Italy, Italy claiming she should have parity with the strongest European power, meaning France; Italy claiming that owing to her situation on the Mediterranean her position was that of an island in an inland sea, a sea which might be easily blockaded, and therefore desiring that she should have control. France pointed out that she had possessions in Africa and required freedom of the Mediterranean for the purpose of communicating with those possessions. France also reminded those with whom she had conversations that her territory had been the subject of invasion no less than three times in a century. It was realized early that the question between those countries was not one which could be settled by experts, but was one which would have to be solved through the activities and efforts of statecraft.

Coupled with that was the other question as to whether any assurance could be given to France with regard to her position in Europe. As the house knows, the discussions on that terminated finally without any decision being made. There were three phases of it. The suggestion was made that there be some sort of a consultative pact, similar to the four power Pacific pact signed at the time of the Washington conference, that the nations would consult each other at a time when there was apprehension of war. I do not know that I am stating these in the order in which they were discussed. Second, there was a suggestion of a Mediterranean Locarno, some agreement whereby one nation would be guaranteed against another, as is done in the case of the Locarno treaty. Third, there was discussion as to whether or not any arrangement could be arrived at or any settlement reached by way of making some interpretative statement concerning the meaning of Article XVI of the covenant of the League of Nations. Those discussions took some three or four weeks. Along towards the end of them a suggestion was made that the conference should adjourn for six months in order to give those representing particularly France, Italy and the United Kingdom, an opportunity of going home and consulting their people and carrying on further negotiations after those consultations had been had, retaining the chairmanship and good office of the Prime Minister of Great Britain. The decision was reached that it was not desirable to adjourn at that time particularly in view of the fact that the conference was still waiting for a reply from the Japanese government respecting the compromise proposal which had been sent some weeks before. Finally, about the first of April, the reply of the Japanese government was received. That reply, as hon. members and the country know, was generally favourable to the compromise proposal which had been suggested. After that more attention was directed to an endeavour to reach some conclusion with regard to the European group, and finally the treaty which is now on the table of the house, was signed, with this in mind and with this understanding, that the conference was not terminating its labours; that, as the Prime Minister has stated, it was only writing the first chapter of the book and that the end had not been reached, but that another chapter was to be written in the negotiations which are still being continued and regarding which newspaper reports are appearing from time to time. That in barest outline is the history of the proceedings with regard to the conference.

Just one or two outstanding features may I bring to the attention of the house? First,

it seemed to me that one of the great factors in the conference was that it was opened by His Gracious Majesty the King, that he himself saw fit to go there on the first official occasion after his long illness to meet not only with his own subjects but with the representatives of other nations—he, the Commander-in-Chief of the army and the Commander-in-Chief of the navy—and to put before them reasons why there should be a continuation of the spirit of the Washington conference and a further limitation of armaments. There were millions of his subjects all over the world who joined with His Majesty and said Amen to the hope he expressed, that the

> Results of this conference will lead to the immediate alleviation of the heavy burden of armaments now weighing on the peoples of the world, and also by facilitating the future work of the league preparatory commission on disarmament hasten the time when a general disarmament conference can deal with this problem in an even more comprehensive manner.

Mr. IRVINE: As the minister is dealing with the outstanding features now, would he state what was the ultimate object of the conference? I do not mean to be jocular at all; I am sincere.

Mr. RALSTON: The ultimate object which filled the mind of every man who was there was the object of limiting and, if possible, reducing naval armaments in the world.

Mr. IRVINE: But for what purpose? What was the ultimate object of that reducing?

Mr. RALSTON: As one of the means towards the end of attaining the peaceful settlement of international disputes.

The second feature, which I just mention in passing, and which relates to the question which has just been asked by my hon. friend from Wetaskiwin (Mr. Irvine), is that those present at the conference were I believe filled with a sense of their duty to endeavour to achieve the objects for which the conference had been called. If hon. members can picture the meetings which were held, they were not meetings of those who were to be controlled by a majority vote. There must be the unanimous and willing concurrence of those who were present there. No man could be inveigled into making some decision or snap judgment which would be of any benefit to those who endeavoured to get it from him; an apparent advantage gained in that way would be short-lived. The result was that there was carried on straightforwardly and in low voice, and without heat and without rancor, discussions by men who were sincerely impressed with their responsibility and with the anxiety of those who sent them there; and I believe that that was one of the things which helped to achieve the success which I think this house will agree was achieved in the document which is before us.

Another feature is that the three greatest naval powers in the world have agreed on a matter affecting national sovereignty, have agreed to restrict the rights which they had to taking such means as seemed to them best in their own interest, and have agreed to consult others with regard to that right which is essentially theirs if they wish to exercise it; and three powers who could not reach agreement on all points have not turned their backs on one another but have agreed to keep on trying. One could not fail to acknowledge the tact and resourcefulness and patience and courage of the chairman, the Right Hon. J. Ramsay MacDonald, whose shoulders bore so largely the brunt and burden of the labours of the conference at the same time that he was carrying on the heavy responsibility of Prime Minister of Great Britain, attending not only discussions but even divisions in the House of Commons, and bringing at the same time all the resourcefulness and humanity of his nature to bear upon problems exceedingly dear to his heart and concerning which he has spent so much energy in the early stages, in his visit to America and in the conversations and negotiations that preceded that visit.

The results are, first, that nine battleships are being scrapped within eighteen months or two years. Under the Washington treaty they would not necessarily have been scrapped before 1936.

Mr. BENNETT: They are due to be scrapped in any event, as I read the Washington treaty.

Mr. RALSTON: Yes, before 1936. But they will be effectively scrapped within eighteen months, and completely scrapped within two years. That means that nine of these floating fortresses will be off the seas within two years instead of by 1936.

Mr. ROSS (Kingston): What is the age of these nine vessels?

Mr. RALSTON: In 1936 they would be getting up to the age of twenty years.

Mr. GEARY: Pretty well obsolescent.

Mr. RALSTON: At the same time we must remember that one of the objects of the conference, and one which was the subject of serious discussion, was whether battleships could not be given a longer age, thereby ob-

viating the necessity for replacement sooner. If all the nations agree to the same age for replacement the degree of obsolescence at that age makes no difference.

Next with regard to auxiliary craft. The Washington conference provided no limit for the total tonnage of cruisers. Hon. members will remember that at Washington the total tonnage was limited of air craft carriers of over ten thousand tons and of battleships, but no limit was achieved for cruisers except the maximum unit tonnage of ten thousand tons. The Geneva conference was called for the purpose of endeavouring to do what Washington had failed to do and go a step further and bring about an agreement for a maximum total tonnage limitation for cruisers. Geneva, as we know, failed in that respect—London has succeeded. I have figured roughly, and I think I am correct, that as a result of the London conference something like 550,000 tons of auxiliary craft, cruisers, destroyers and submarines provided for in the built, building and authorized program, will be done away with by the terms of this treaty. Now 550,000 tons of auxiliary craft is a substantial amount. Somebody may say that of that 550,000 tons, 278,000 tons have yet to be built. That is so, but it had already been authorized and the money for it voted. Judging by the attitude immediately after Geneva, the great thing which has been achieved is to get a definite limitation. Without this treaty there is no limit but national resources and public opinion.

Hon. members will remember that immediately after Geneva the tendency seemed to be to launch upon vast building programs without limits, and that would have been sure to precipitate the very thing which this conference was most anxious to avoid—competitive armaments. Add to these achievements which have been made by three powers, the fact that not only three—but five powers have agreed definitely to delay the replacement of some fourteen battleships which would otherwise have been built before 1936, and a further agreement by the three powers that a small aircraft carrier shall be included in and charged to the aircraft category. Let me state here, because I think Canada was particularly interested in this, that the Washington agreement had provided that aircraft carriers of over ten thousand tons should be charged to the aircraft category. I believe that 35,000 tons was the total. There was no provision in regard to aircraft carriers smaller than that; nations might build these craft of 10,000 tons or less and treat them simply as cruisers, but these smaller craft were capable of a great deal of destructive and terrorizing effect. It was felt that this new and most destructive weapon should have more restrictions put upon it than had been achieved at Washington, and the result of the discussions was that an aircraft carrier of ten thousand tons and less has been put in the aircraft category, and any nation which builds these small craft has to take them out of the total charged to that category, instead of charging them as might otherwise be done to the cruiser category.

Mr. McGIBBON: Does the minister consider Canada's aircraft a military weapon?

Mr. RALSTON: That is a matter of opinion. My hon. friend knows exactly the position. I would suggest that he permit me to answer his question when the estimates are before the house. We are talking of aircraft carriers.

Mr. BENNETT: We have not any.

Mr. RALSTON: No, we have not any. Another agreement which was arrived at between the five powers was with regard to the unit size of submarines. The unit size of submarines was a difficult question to settle. It was brought up by France particularly. France claimed the necessity for some large submarines. The United States, Great Britain, and, I think, Japan as well had one or two large submarines. An agreement was arrived at which reduced France's request for large submarines from six to three, the unit size to be not more than 2,000 tons with 5-inch guns, except that each nation was to be allowed three submarines of a unit size of not more than 2,800 tons with 6-inch guns.

Another agreement was arrived at with regard to submarines which took the place of what is known as the Root clause. Under the Root clause the Washington conference had endeavoured to provide that submarines should be subject to the same rules as surface vessels in attacking merchant ships. That treaty was not adopted by one of the nations, with the result that it never came into effect. This conference practically achieved the object of that treaty by getting an agreement between all five powers that submarines should be subject to the rules applicable to surface vessels in attacking merchant ships, and a definite declaration of international law in that respect was agreed to.

Then there was an agreement as to what would constitute vessels exempt from the treaty. It took the experts a good many weeks to prepare definitions for vessels which were to be exempted, these are adopted and

appended to the treaty. The rules with regard to the scrapping of vessels were also settled.

The result was that the hopes expressed by His Gracious Majesty the King at the outset of the conference were substantially achieved and the "high mission begun at Washington" was continued with outstanding success at London.

Now, with regard to Canada's interest in the conference. My hon. friend the leader of the opposition mentioned it a few minutes ago. Canada has a very modest naval force. She makes no apology for it at all. The very fact that Canada has a modest naval force was one reason why it was considered essential that she should be present with her sister dominions to present the views of those nations who do not desire a large naval armament if they possibly can avoid it. I believe that it was for the benefit of the conference that those nations were there to present that point of view, which is the point of view of not only the dominions of the British commonwealth but of a great many of the smaller nations of the world.

Mr. BENNETT: Would the minister state what our "modest naval force" is?

Mr. RALSTON: There are two destroyers—

Mr. BENNETT: They are not built.

Mr. RALSTON: There are two destroyers, the Vancouver and the Champlain; there are two building, the Saguenay and the Skeena; and three mine sweepers.

Mr. KAISER: Do those two vessels belong to Canada?

Mr. RALSTON: Those two vessels were obtained from the British Admiralty under an agreement that Canada might use them for naval defence provided she met the somewhat substantial cost of refitting.

Mr. KAISER: We do not own them.

Mr. RALSTON: That is a legal question; I will bring down the order in council in relation to the matter if my friend desires.

I think Canada's presence at the conference was amply justified because of her interest in the relations existing between the nations of the world by which she is surrounded. She finds that an agreement has been arrived at in which she is particularly interested, between the British commonwealth of nations and the United States, whereby the impasse which existed between those nations at Geneva has now been done away with and there has emerged from the conference complete unity and complete harmony in regard to naval matters. That is also true of the great empire of Japan which is our nearest Pacific neighbour. Canada comes from that conference in the extremely fortunate position of feeling satisfied with the outcome because of the fact that the conference has resulted in this agreement between those three great nations.

Something else, I think Canada contributed to the conference. Canada's naval program is based primarily on her naval needs. Her needs in the first place consist of the necessity providing for coast defence and protection, for a reasonable distance out to sea of the trade in and out of her great ports. But in addition to that Canada might claim naval protection on the south. She has done away with the necessity for the protection by agreement. She has substituted a treaty for battleships. That treaty has worked well, and Canada, I believe, at the conference constituted a striking demonstration of a country which was able not simply to talk of disarmament, but which had been able to find a substitute for armament. Such a substitute I believe is necessary in the last analysis. I do not believe we can just simply disarm and leave it at that. International disputes are bound to arise; there are bound to be difficulties with regard to trade; there is bound to be friction because of congestion of population in some parts of the world and paucity of population in other parts; there will always have to be taken into account the passions to which men are subject. To guard against international disputes in the future we should try to find machinery to adjust differences between nations just as we have such machinery for settling disputes between individuals; that is, we must find a means of settling international disputes without resort to force. It seems to me that Canada was able to give an example of such means by pointing to our International Joint Commission. This was more than once referred to in the discussion in connection with the conference, and I believe that in this way there is great hope for advancing the future peace of the world.

My own feeling is that we in Canada should endeavour in every way possible to emphasize and show how effective is this method of what I may term preventive defence. The idea is to forestall the use of force by machinery for reason and discussion, something to which the people can instinctively turn when national clouds threaten. Public opinion is becoming increasingly interested in these matters. I think we should direct our energies not only to finding those methods, but also to bringing to the minds of our people a knowledge of just what those methods are. I believe that too much cannot be said for this point of view, that there should be brought

to the minds of our men and women, our boys and girls, the idea that instead of mobilizing battleships there is some simple method to resort to when an international dispute occurs. I believe our people ought to be so educated and informed that when an international difference arises they can at once answer the question "what do we do now?" And they will be able to answer that question if our public men, our League of Nations' societies and all other agencies by spreading national information make it a matter of dominion-wide education to bring before our people the idea that there are other methods of settling international disputes than by force, and just what these methods are.

I have given, Mr. Speaker, the results of the conference in a brief and sketchy form. I believe the house will approve the treaty which has been signed. I think it marks a very definite step in advance along the road of international peace, and I believe the idea of disarmament embodied in the treaty, with the idea which I have endeavoured to express of providing substitutes for armaments, will together constitute a powerful factor in promoting the peace of the world.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to compliment the Minister of National Defence (Mr. Ralston) upon the splendid sentiments to which he gave expression in the latter part of his speech. He urged that we should have some substitute for armament; that we must find machinery for the settlement of international disputes without resorting to arms. He stressed the need for the development of "preventive defence". I feel that if this policy can now be carried out and if in any way the recent conference contributed to that end, much has been accomplished. When I heard the earlier part of the minister's speech, I wondered whether in practice that had been the actual result of the conference. I have before me a copy of the book Disarmament by Sòlvador de Madariaga, and in connection with the attendance of the minister at the conference I thought of a paragraph contained in this book.

> The military profession cannot recognize any duty above that which constitutes its very essence; the ensuring the safety of its country. A military delegation sent to discuss disarmament problems can not and should not envisage them—as it is implicitly requested to do—in a somewhat general and abstract light. It can only view them as it should only view them, with an eye on the home forces. "Which of the possible answers to the question will increase my strength or weaken that of my potential adversaries?" Such is the only possible criterion which a military delegation can and should adopt, and any one who expects military men in Geneva to think in the abstract ways of the intellectual or in the give-and-take ways of the politician misses the main point. But if that is so, it will be easily seen that a commission composed of military delegates can seldom find unanimity outside general negative propositions. To this objective limitation a subjective obstacle should be added. By temperament the soldier is not a good negotiator. His tactics are those of war: surprise, stratagem, deep laid plans, concealment and rush—while his aim and glory is complete victory.

In another place I find the following:

> Under this light, armaments appear to us as instruments of policy. They are indeed the most important instrument of policy, together with financial power—a rare thing. It is evident, therefore, that no disarmament is possible as long as no alternative instrument of policy to armaments is devised, and no reduction of armaments is possible as long as the utility of armaments as instruments of policy has not been reduced.

I was very glad indeed to hear in the latter part of the minister's statement the definitely expressed advocacy of such an alternative. I was afraid that prior to his visit to London the minister was distinctly stressing the value of armaments. In fact I am not so sure but that the minister has had some slight change of heart since his visit to the naval conference, and perhaps that has been brought about through his close association with Mr. Ramsay MacDonald, of whom he has spoken in such laudatory terms. In the London Free Press of November 30, 1929, I find the following:

> Canada must maintain a trained and adequate military defence force in peace time in order to be able "to wage neutrality."

I ask hon. members to note the words "to wage neutrality." To my mind they indicate a very great contrast to his present advocacy of some "substitute for armament." I hope that the phrase "preventive defence" which he used to-day does not embrace a military force capable of waging neutrality. To continue with the extract from the newspaper:

> Canada must maintain a trained and adequate military defence force in peace time in order to be able "to wage neutrality" should the occasion ever arise, declared Colonel the Hon. J. L. Ralston, Minister of National Defence, in an address here last night. The minister spoke in the Hotel London to a distinguished gathering representative of the military, political and civil life of western Ontario. The occasion was a dinner tendered to Colonel Ralston by the officers of military district No. 1, under the auspices of the London Garrison Officers' Association. Every one of the 24 units in military district No. 1 was represented.

In the course of his speech the minister said:

> You see before you your humble servant, who stands on the firing line in the House of Commons and tries to get money votes for the

maintenance of the defence forces of Canada. And I assure you that there is no more popular indoor sport in Ottawa than trying to clip a few hundreds of thousands off the estimates of the Department of National Defence. However I want you to feel that in the last two or three years something has been done with regard to these appropriations.

My object has not been to attempt to have a large defence force in Canada, but to have efficient to a high degree what modest force we have. The militia, engineers, and stores votes have been increased within the last few years. So far as the naval arm is concerned, last year for the first time the House of Commons voted money whereby Canada can buy and build her own naval vessels and thus assume her proper position as a nation among the great powers of the world.

It seems to me a serious thing if it is the opinion of the minister that the building of a navy represents the way in which Canada can assume her proper position among the great nations of the world. Such a conclusion would be altogether out of keeping with the tone of the latter part of the speech delivered to-day by the hon. gentleman. The other day in the committee on industrial and international relations—

Mr. RALSTON: My hon. friend knows that Mr. Ramsay MacDonald, than whom I think he will agree with me there is no greater advocate for peace, points out that there must be a transition period. There is no inconsistency in the fact that some force is required during the transition period; my hon. friend must know that Great Britain is asking for fifty cruisers.

Mr. WOODSWORTH: I am not defending the position taken by Mr. Ramsay MacDonald. As the minister knows Mr. Ramsay MacDonald, like many other men in responsible positions, finds himself in tight places. When he was head of the former short lived Labour government, he found it next to impossible to counteract the traditional policies of Great Britain. He found himself in conflict with the Lords of the Admiralty. He found that there were men in his own cabinet and a great many men in his own party who would not go as far as he wished to go. The minister knows that there are many men in the party led by Ramsay MacDonald who feel that greater reductions should take place. At this time however I am not referring particularly to Ramsay MacDonald but rather to the minister himself. It seems to me that the speech delivered at London by the hon. gentleman is rather out of line with the exalted position indicated by the latter part of the speech to which he has just given utterance. I sincerely hope the speech delivered to-day represents more closely the present convictions of the minister than the speech delivered to the military men in the city of London. I can fancy the possibility that in an after-dinner speech of that nature he may have been carried away, if I may use that expression, by the general prevailing atmosphere.

When the minister interjected his comment I was quoting his statement that Canada should establish a navy and assume her own proper position as a nation among the great powers of the world, and I was going to add that the other day the president of the League of Nations Society in Canada appeared before our industrial and international relations committee and presented a map showing the nations of the world, indicating in a graphic way the extent to which they are armed. The same map also indicated the trade of the various nations of the world, and it was shown that the trade was in inverse proportion to the armaments, indicating that a nation's greatness as far as trade and commerce is concerned—and I think that is reflected very largely in prosperity—is in inverse proportion to armaments. I wish the Minister of National Defence would ponder carefully the statement made at that meeting of the committee, and I think we would all be proud if we could think that Canada was leading the way in this new type of national greatness.

Now I should like to make only one or two further comments. I notice, from an English source, that it has been stated that the achievement of parity with the British Empire will require the United States to build fifteen or eighteen 10,000 ton cruisers costing £3,000,000 to £4,000,000 each. I am not quite sure from our standpoint in Canada, that is a great achievement unless indeed we are going to rely upon the naval forces of the United States. Apparently the naval conference has meant that the great nation immediately to our south with which we are in the closest proximity is actually increasing the only class of ships that she possesses, and on the other hand England—and I am not going to urge this point, since I am in favour of disarmament—has decreased her warships. It is quite true that this class of ships, I understand, is not so efficient as it used to be, but England has decreased her ships of that class, and provision has been made for the United States to increase her cruisers.

I should like to read one paragraph from an article by Commander J. M. Kenworthy, M.P., with regard to the conference. He said:

The use of navies, their future part in the world organization for preserving the peace consequent on the Briand-Kellogg pact for the

outlawry of war, is the one topic that has been taboo at the present conference. Instead we have discussed the strength of fleets, ratios, parities, yardsticks, tons and guns, torpedo-tubes and cruisers, and in so doing have delivered ourselves into the hands of the naval experts and their nationalist and reactionary backers. The attempt is being made now, and will be made in the future, to blame the failure on France or alternatively on Italy, or, if this fails, on Japan. But the real reason is that the delegates have all been thinking about "unthinkable wars" and trying to bluff each other and finesse each other for some slight advantage on agreed building programs.

I think anyone who has read anything about the naval conference must recognize that the great fundamental questions were not discussed and that essentially the greater part of the conference was devoted to technical questions. I should be very glad indeed to think that what the minister said in the latter part of his speech were true, that the naval conference had marked anything like a real advance.

Now, with regard to our part in naval disarmament, in looking over the treaty I note that on page 4 the following wording occurs:

> His Majesty the King of Great Britain, Ireland and the British dominions beyond the seas, Emperor of India; for Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League of Nations;

There follow the signatories for Great Britain. Then later on we have these signatories "for the Dominion of Canada." This is in accordance with the phraseology adopted by the Imperial conference of 1926. Further, on page 29, we find the same phraseology in section 2:

> As soon as the ratifications of the United States of America, of His Majesty the King of Great Britain, Ireland and the British dominions beyond the seas, Emperor of India, in respect of each and all of the members of the British commonwealth of nations as enumerated in the preamble of the present treaty. . . . .

And so on. Here again we have equality of status recognized, as at the Imperial conference of 1926, but now I turn to page 24, and in the schedules I find this phrase:

> . . . . for the British commonwealth of nations . . . .

That is a new phrase, and in article 16, subsection 3, the same phrase occurs again, allocating so many cruisers to "the British commonwealth of nations." In this case the use of the term, "commonwealth" is somewhat ambiguous. Does it mean the empire? In 1926 the phrase seemed to mean the self-governing dominions; now it appears to be equivalent to the empire itself. This is no small matter. It is not merely a technicality in phrasing but involves the question as to how far we in Canada are responsible for imperial defense. The statement is made that we are to have a maximum of fifteen cruisers. I will read the text, which is subsection 3 of article 16:

> The maximum number of cruisers of sub-category (a) shall be as follows: For the United States, eighteen; for the British commonwealth of nations, fifteen; for Japan, twelve.

How are these to be allocated? Supposing Australia built two and in that connection it may be asked whether the Australian is to be scrapped, as has been suggested. If so, is Australia to build another cruiser? Supposing Canada should build two or four cruisers, and I believe the latter number was suggested by Mr. Borden. Does that mean that the total for the British Empire is to be only fifteen, and that this number is to be diminished by the cruisers provided by the various dominions?

Mr. GARLAND (Bow River): That would leave only seven for the British commonwealth of nations.

Mr. WOODSWORTH: Yes, my hon. friend suggests this might mean only seven for the British commonwealth of nations. Will the allotment of the British Empire be cut down by the number provided by the various dominions? From my point of view, this is the important question: is there any understanding between the Dominion and Great Britain as to how the fifteen ships are to be allocated? No indication of that is given in the report now before us, and no indication has been given by the minister himself.

Mr. RALSTON: There is no understanding.

Mr. WOODSWORTH: It seems to me that this arrangement is a very loose one, and my former question still stands. I am glad that there is no understanding, but in case of Australia or Canada building any ships, does it mean that the number allotted to the British commonwealth of nations, that is fiftteen, is to be cut down by the number built by the self-governing dominions?

Mr. RALSTON: The agreement is that our naval requirements will not be such as to cause the collective total for the British commonwealth of nations to be exceeded. There is nothing loose about that, that makes it absolutely certain that there cannot be more than fifteen of these particular eight-inch gun cruisers afloat on the seas for the whole British commonwealth of nations.

Mr. WOODSWORTH: There is no arrangement as to the allocation as between Great Britain and—

Mr. RALSTON: None.

Mr. GARLAND (Bow River): In the event of Australia constructing four cruisers, which is quite possible when we realize Australia's attitude towards this question, that would leave Great Britain with only eleven? Is that satisfactorily understood?

Mr. RALSTON: There will be no danger of Australia or any other nation constructing any vessels coming within this treaty without consultation with the other parts of the British commonwealth of nations.

Mr. WOODSWORTH: I would like to ask one more question before taking my seat: We have participated in this conference and it is proposed that we participate in this naval treaty; we have agreed to this particular number of ships—does that mean that we—that is, Canada—are under obligation for imperial defence?

Mr. RALSTON: We have agreed to a certain number of ships; there is no agreement or any obligation further than the obligation we had before we went to the conference.

Mr. WOODSWORTH: The very fact that we are parties to the limitation seems to me to imply a certain moral obligation to live up to that agreement. Supposing Great Britain should find herself in difficulties about providing for the fifteen ships, or faced with some other crisis; would that mean that because we have participated in the conference we would be more or less under an obligation for imperial defence?

Mr. RALSTON: The British commonwealth of nations have agreed, not that they shall have fifteen ships—they may have only five—but that their total collective strength shall not exceed fifteen ships. There is no obligation of any kind to contribute to any greater extent than the obligation which existed before we went over to the conference.

Mr. WOODSWORTH: That is a very satisfactory answer. Although there are many things I would like to discuss in connection with this whole question, I do not desire to detain the house any longer.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, I desire to make a few remarks regarding the treaty now under discussion, but I want it clearly understood that the criticism which I intend to offer is not directed against the government nor against the representative whom this government had at the naval conference. I think it is only fair to say that the government of Canada deserves a great deal of credit for the attitude it has taken on all matters pertaining to world peace. The actions of this government are praiseworthy in so far as its attitude on the matters of the League of Nations, the Kellogg pact, the optional clause and naval reductions are concerned. I think it is true also that our representative has brought a great deal of credit to Canada. I do not doubt his ability nor have I the slightest doubt as to his sincerity of intention. The actions of Canada have revealed a very fine spirit in regard to the future peace of the world. My purpose is to criticize the conference itself and the method adopted in achieving the aims for which it was called. I am not so much interested in armament reduction, but I am interested in removing the cause for the use of armaments. I think that is a brief statement of the criticism which I intend to make of the conference.

Let me speak now of the conference itself, and the end which it sought to attain. As stated by the minister in reply to my question, the ultimate object was, first, to relieve the nations from some of the burden of preparation for war, and, second, to promote the ultimate peace of the world.

Mr. RALSTON: Just reverse the order.

Mr. IRVINE: That would make my criticism still more severe. There might be something said for removing a little of the burden of taxation to be brought about by a reduction in armaments, but to say that that reduction is going to make for world peace is a very doubtful assumption. We must measure the results of the conference by the achievements attained.

I do not intend to say very much about the reduction in the burden of taxation brought about by naval restrictions, because I do not know that that means very much. We are not assured that the people will be saved that amount of taxation which otherwise would have been expended in naval preparation. There is no doubt that the reductions brought about as a result of the conference will reduce the purchasing power of the people of the particular countries. It is an unfortunate fact that we have to build navies in order to be able to feed our people, but that is part of the economic absurdity which belongs to civilization. For instance, if Great Britain with her millions of unemployed were to reduce her shipbuilding program by so much, it would further increase her unemployment problem. If it could be assumed that some of the money which would have gone towards the building of battleships

would go towards the building of highways or the building of homes for the people of Great Britain, then there would be a clear saving to the people.

Mr. GARLAND (Bow River): Surely that is a fair assumption.

Mr. IRVINE: Not by any means, but if you desire we will deal with it as such. For the moment, I am not going to enlarge on that particular phase of the matter.

My main object is to deal with the other side of the matter, namely, what progress will be made towards world peace by the reduction of naval armament. As I listened to the minister reviewing the results of the conference, I must say that I felt that world peace was still further away than I had thought it to be. The results, as I gather them, were that nine battleships which were to be scrapped in 1936, are to be scrapped within two years instead of waiting until the end of 1936; that in regard to auxiliary craft there was to be a reduction in tonnage of 550,000, of which 250,000 tons have not yet been built; that fourteen proposed battleships are to have their construction delayed; that there is to be a reduction in the size of submarines; that in the next war there is to be a sort of moral law for submarines, and that finally, so far as Canada is concerned, we still hold by the principle that a treaty is better than a battleship and that our relations with the United States for the last century are proof of that. Much might be said in regard to this latter point, but I do not propose to stop to discuss its merits or demerits further than to say that there has so far been no reason why the United States should want to fight Canada. The United States have had up to the present time all the territory they desire and we have so far no trade they consider worth while fighting for. So it is not quite correct to say that a treaty has taken the place of battleships. If the day ever comes when the United States require more territory or when our trade should seriously challenge theirs, then we shall have the test whether or not a treaty is as valuable as a battleship.

Let me emphasize first of all that it would be a mistake if we over-estimated the value of the sentimental gesture such as the naval conference is. So far as I can see the conference was a competition amongst the powers concerned for an advantage in the next war. That is the first thing that is noticeable. Second, so far as reduction of armaments is concerned, the proposals are practically useless. There seemed to be a desire on the part of the conference to make war a sort of gentleman's game: if you are going to shoot me, I propose that you shoot me with a revolver of a certain calibre, and if you will agree to that, I will promise not to shoot you except with a revolver of the same calibre; if you will promise not to shoot me with a rifle that carries beyond a certain distance, I will reciprocate with a similar promise. In other words, we are trying to make war civilized, endeavouring to reduce it to a gentleman's game. Would it make any difference to me if you killed me, whether the bullet had travelled two miles or twenty feet or whether it came from a rifle of one calibre or another? That seems to be the first absurdity on the face of the whole naval conference.



Mr. RALSTON: Does my hon. friend think that possibly that consideration might have something to do with the point he mentioned first, namely, the reduction in the building of naval armaments, the making of smaller calibre guns and fewer of them? Will it not at least achieve that object if it does not achieve the other one?

Mr. IRVINE: Probably there would be something to that point, provided that other economic considerations were taken into account; but as regards bringing about peace, I think H. G. Wells and George Bernard Shaw by their criticism in this regard have put the whole conference out of consideration. What does it matter to a British sailor whether he is killed by a shell that has travelled eighteen miles or twenty miles? What does it matter to a sailor of any country whether the ship that sinks under him is of the 10,000-ton class or the 50,000-ton class? That reduces the whole thing to an absurdity so far as its effect upon world peace is concerned.

But there is another point which is even more fundamental than that. There are those who speak with greater authority on naval matters than I shall ever be able to do, who suggest that in future wars, battleships, submarine and, indeed, all present kinds of seagoing war craft will be obselete. As a matter of fact, just about the time when the Prime Minister of Great Britain was closeted with the President of the United States discussing the advisability of eliminating a cruiser here and a cruiser there, a scientist was addressing a club in the city of London. It is reported in the press that this gentleman stood up, holding in his hand a teaspoon filled with a certain kind of powder, and he stated that in that teaspoon there was enough power to

kill the entire population of the city of London in fifteen minutes. If there ever should be another war and Canada were to honour me by making me an admiral, I would exchange the entire fleet for that teaspoonful of powder. My point is that when the next war comes the battleships which have been to some extent eliminated by the naval conference will be as extinct as the dodo. Just imagine if you like that we have another conference next year and decide that we shall outlaw bows and arrows in future wars! The absurdity of that must be very clear. To my mind the absurdity of curtailing our building of battleships by one here and one there, the reduction of their tonnage and the making of a smaller calibre gun in the next war is equally ridiculous in view of the scientific advances that have been made.

Much might be said in this regard, but I shall not delay the house beyond the time required to make one other observation. I said at the outset that I was not so much interested in reduction of armaments as I was in the removal of the need for using them, and the naval conference has done nothing in that respect. It is regrettable that all the splendid idealism of the Prime Minister of Great Britain, for whom I have the profoundest respect, and all the fine spirit of peace developed in Canada and other countries of the world, should be dissipated through the avenues of a hopeless sentimentality and not directed toward the economic centre and causes of all wars. Why do nations seek to protect themselves by armaments? They seek security in armaments from the insecurity of economic conditions and under economic competition there will always be some nation left behind, suffering from economic insecurity. The only hope, then, is to move towards a greater internationalism than has been suggested by the naval conference. The only thing is to recognize the principle of economic cooperation among the nations of the world. That is the basis of world peace. A move in that direction would be worth much more to the future peace of the world than any naval conference, and yet not one single step has been taken by any nation of the world in that direction. I am not criticising Canada any more than any other nation for not having taken that stand. My object in saying anything at all on this matter is to point out that the people of Canada who are looking forward to peace will not rest their case on the naval conference nor on the Kellogg pact nor on the League of Nations, but they will seek to go further and tackle the question of peace in a much more fundamental way.

Hon. R. B. BENNETT (Leader of the Opposition): I have on frequent occasions indicated my views with respect to conferences of this character. After we signed the Briand-Kellogg pact by which we outlawed war, it has always seemed to me extremely difficult to determine any reason for talking in terms of armaments. I have expressed that view so frequently that I shall not do more than indicate it to-day.

The conference called by the right hon. the Prime Minister of Great Britain was for the purpose of limiting naval armaments. It was for more than that. It was also for the purpose of bringing about naval disarmament so far as that might be possible. It failed of its high purpose, but it did achieve something, and the treaty which is before the house to-day for ratification indicates the results of the conference. The hon. Minister of National Defence (Mr. Ralston) has indicated the part that Canada took in the discussion. I rather deprecate the idea of the Prime Minister (Mr. Mackenzie King) delivering a eulogy upon his colleague and then his colleague offering his sincere thanks for the eulogy which has been delivered.

Mr. MACKENZIE KING: Does my hon. friend think that it was not deserved?

Mr. BENNETT: That is not the point. Cabinet solidarity is one of the prices of responsible government, and a fitting reference to the fact that the government was properly represented at the conference by the minister would, of course, be quite in keeping with the situation, but the habit of delivering fulsome eulogies on the services of colleagues is not conducive to improving the conditions of representative institutions. I say that with very great consideration.

Mr. MACKENZIE KING: May I say to my hon. friend that I was speaking simply as a Canadian and giving utterance to an opinion that I believe was universally expressed throughout the whole of the British Empire.

Mr. BENNETT: You see, even that does not in any sense deter me from making the observation. The Prime Minister was speaking as the Prime Minister of Canada, and in no other capacity does he act in this house. That is perfectly clear. I for one have no desire to withhold from the hon. Minister of National Defence (Mr. Ralston) the warmest encomiums that may be given to him for the services that he rendered to this country. The hon. and gallant gentleman has served his country in more fields of activity than in this house, and he has served his country

with distinction. When he was selected by the government to represent Canada at London, I believed that he would act in accordance with the instructions which he received from his government; and that he did so, I have no doubt.

Just what part Canada plays in a conference like the London conference sometimes seems difficult for the average person to determine. Our fleet consists of a couple of destroyers which we secured from Great Britain after the war. It is true that they are rather antiquated now. Then we have two building at the Thorneycroft yards in Southampton. Those are not yet afloat. The extent to which naval armaments or naval restrictions or limitations interest Canadians is always difficult to determine. This I do know, that our ocean-borne traffic is very heavy. We are not dependent upon the sea for our lives, as His Majesty the King said of the United Kingdom at the opening of the naval conference, because we have food within our own borders, and we do not depend for our lives upon ships carrying it across the sea to maintain us. But our shipments of wheat and our shipments of commodities of various kinds to the different countries of the world is carried on in safety because the premium on the policy of insurance is paid by the taxpayers of Great Britain. That is something which I hope Canadians will never forget, and that is one of the reasons why I have always welcomed any efforts towards disarmament and towards making possible the maintenance of peace without recourse to war.

Now, if we meant what we said two years ago when we signed the Briand-Kellogg pact and outlawed war, why should we discuss terms of armament? Why should we sit down and ask ourselves how many ships are to be built and how many ships are not to be built, and how many ships are to be scrapped, and how are we to replace them? For one of two things is true. Either that pact meant that there was to be outlawry of war as an instrument of national policy, or it did not. If it did, then war was henceforth to be known no more, and the instruments with which to carry on war would be banished. That is clear. If, on the other hand, this was but a pleasant gesture, and not a very pleasant one either, and meant nothing but mere words, then, of course, we must continue to build ships and to maintain armies and armaments. When we see our friends to the south talking about an appropriation of one billion dollars for ships and then recall the name of that pact, the Briand-Kellogg pact, it makes one wonder just what it meant. When you read what took place the other day at the London conference, as between Italy and France, in connection with the Mediterranean, and when you have the proud assertion made by one of the nations represented at that conference that she proposes to have naval armaments the equal of any European nation, and when you hear the far-off kingdom of Japan discussing problems of submarine defence and the number of ships required for offensive and defensive purposes, and when you hear the countries represented at the conference talking about the methods that are to be adopted by aircraft carriers and the kind of ships to be used, one wonders what it is all about after the pact of a year ago. What does it mean? Then we talked in beautiful words about peace. We discussed in mellifluous phrases all the talk which is as old as the centuries. We signed our names to that pact, and all these other nations did it too. We said: We will limit the cruisers to so many eight-inch guns; we will limit this country and that to certain armaments. The real value of this treaty that is now before us, in my judgment, is to be found in part IV, which lays down certain rules of international law. Those rules are to endure. It was worth while to have them adopted by the nations that were represented at the conference.

But it will be remembered that the treaty itself is to last for only five years. It expires in 1936. That gives force and point to what I have just discussed. It is almost incredible that this limitation upon the world's naval armament as represented by the great powers, Great Britain, the United States, France, Italy and Japan, ends at the end of five years. The provisions with respect to the rules of international law are of a permanent character.

Canada is not concerned, I believe, in the actual operation of this treaty beyond giving approval to the general principles that govern the future with respect to international law applying to submarines, and as a part of the British Empire concurring in the arrangements that were made for the purpose of limiting armaments. The hon. Minister of National Defence has made it perfectly clear that so far as the British Empire is concerned, it was agreed between its component parts that the limitation imposed by Great Britain is a limitation that in operation will be carried into effect by an agreement between the various communities which comprise the empire. I cannot conceive of any other way which it could be done having regard to the position which we occupy.

I do not think this parliament is in a position to pronounce upon the value of the treaty. The people of Great Britain—the tax-

payers, the naval experts,—must determine that. We at least can say this, that every word it contains which makes it more difficult for the taxpayer to be called upon to contribute money for the purpose of maintaining naval armaments is welcome, and that every step forward in bringing about, not mere expressions of pious hope, but a realization of the terms and conditions of the Briand-Kellogg pact, are not only welcome, but they are the just expectations of every citizen who believed that when that treaty was signed by all the nations of the world it did represent a step forward, and that war was not thereafter to be used as an instrument of national policy. Now, if war is not to be used as an instrument of national policy, the implements with which to carry on war should not be in the hands of men or nations. But we should not forget that a police force must always be maintained. We do not the less hate riots because we maintain police, and we do not the less hate war because we realize there must be a police force. British merchant ships cannot ply the seven seas carrying cargoes to supply what is vital to England, namely, food, unless they are protected against piracy that still exists in some parts of the world, and this implies the adequate policing of those trade routes. We must take our part in that work. Whether we like it or not we cannot afford to sponge upon the big policeman all our lives. Just how we are going to help the big policeman has not been indicated, but for centuries now the big policeman has been doing his job, and I fancy he is a bit weary; at least if we understand the lessons of history aright it must be so. While we have our trade to maintain, while we send our products to the ports of the world and receive the products of other countries into our ports, we should never forget that international law and order must be maintained. We can only discharge our obligation in that respect by maintaining an adequate police force in the same way that we maintain a police force to guard the safety of the lives and property of our citizens. The adequacy of that police force depends upon its necessity. When we read of the conditions in a great city like Chicago, or when we consider the guarding of the lives and property of our people in a city like Montreal, we at once realize the urgent necessity of an adequate police force. And I am sure the Canadian people will not be so lacking in self respect that they will for a moment seek not to discharge the obligation that rests upon them to ensure against disaster our ships that ply to and from the distant ports of the world. That I think at least we can all believe to be necessary, and anything less than a police force to ensure that safety is inadequate.

So far as the treaty is concerned, I join in the expression of opinion as to the necessity of its being ratified and confirmed by this parliament. But I do so without in any sense indicating any view at all whether or not it makes for the advancement of peaceful conditions as between Great Britain and the other countries of the world; whether or not the other countries from a technical standpoint may or may not be satisfied; whether or not it will effect the ends aimed at. All I know is this: it does in some perceptible way constitute an advance and in concrete form does give expression to the pious hope of the Briand-Kellogg pact for the outlawry of war as an instrument of national policy, not only by this country but by the other nations of the world.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate informing their honours that this house has adopted a resolution approving of the international treaty for the limitation and reduction of naval armament, London, April 22, 1930, signed in respect of the Dominion of Canada by the plenipotentiary named therein; and that the clerk do carry the said message to the Senate.

Motion agreed to.

## SOCKEYE SALMON FISHERIES CONVENTION

Right Hon. W. L. MACKENZIE KING (Prime Minister): With the permission of the house I desire to table a copy of the sockeye salmon fisheries convention between Canada and the United States for the protection, preservation and extension of the sockeye salmon fisheries in the Fraser river system, signed at Washington on the 26th day of May, 1930 by the Hon. Mr. Stimson, Secretary of State, on behalf of the United States, and by the Hon. Vincent Massey on behalf of Canada.

At one o'clock the house took recess.

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The house resumed at three o'clock.

## DOMINION AND MERCHANT SHIPPING LEGISLATION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

That this house approves the recommendations of the conference on the operation of Dominion legislation and merchant shipping

legislation, held in London in 1929, and considers that steps should be taken at the forthcoming Imperial conference to ensure their being given effect at an early date.

He said:

The mutual relations of the group of self-governing communities which compose the British commonwealth of nations have been defined by the Imperial conference of 1926 in a clear, striking and unequivocal way. The report says:

> Their position and mutual relations may be readily defined; they are autonomous communities within the British Empire, equal in status and in no way subordinate one to another, in any aspect of their domestic or external affairs though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

That definition was further emphasized in two sentences of the report which I shall quote:

> Every self-governing member of the empire is now the master of its destiny. In fact if not always in form it is subject to no compulsion whatever.

And then, farther on:

> Every dominion is now and must always remain the sole judge of the nature and extent of its cooperation with the other units of the British commonwealth.

These statements assert the nationhood of the dominions, and their union with Great Britain as well as between themselves through a common allegiance to a single crown, and through a free association. They more particularly adopt and accept "equality of status" as the root principle governing inter-imperial relations. They make it clear that full freedom and equality are at once the condition and the assurance of enduring association and effective strength. The principles thus and there declared have been accepted as the conventional basis of the relationship between the various members of the British commonwealth. In Great Britain there have been no dissentient voices amongst the responsible statesmen. The only mild objections which have been raised came from theorists who have not had the heart to reconcile themselves to the new facts and the new situation.

Mr. BENNETT: There was a discussion in the House of Lords.

Mr. LAPOINTE: Yes, but everybody approved of the report.

Mr. BENNETT: No, not everybody.

Mr. LAPOINTE: Absolutely; I think even my hon. friend will approve of it.

Mr. BENNETT: That is another matter.

[Mr. Lapointe.]

Mr. LAPOINTE: I will refer to that point later.

Sir Cecil Hurst, who has been legal adviser in the British Foreign Office for a great many years, and who was only a few years ago appointed one of the judges of the international court of justice, and than whom no one is better qualified to speak on this subject, used the following language, when lecturing at the Harris Foundation in the United States in 1927:

> In the twentieth century Great Britain accepts, and accepts gladly, the new status of complete equality with herself to which the dominions have attained. The period of subordination has, so far as they are concerned, come to an end. Even if the position of primus inter pares is given to her by the dominions, she will enjoy it only because they give it to her and not because she has a prerogative claim to it as a right. What equality means among the autonomous communities of the empire is the absence of any form of control by one community over another, the idea which is expressed in the words "in no way subordinate one to another in any aspect of their domestic or external affairs" which figured on the formula adopted in the Imperial conference resolution of 1926.

The then Home Secretary who was a member of the conference of 1926, and who is now a member of the House of Lords with the new title of Viscount Brentford, speaking in the House of Commons on March 15, 1927, said:

> The dominions of the crown, the great self-governing dominions, are certainly since the last Imperial conference co-equal with the United Kingdom. They do not belong to this parliament; they are not in any sense subject to the jurisdiction of this parliament.

All the dominions have accepted the principles which I have mentioned. True, in Canada, the question was the subject of a debate during the session of 1927, and the then leader of the opposition, the hon. member for South Wellington (Mr. Guthrie) moved a resolution reading in part as follows:

> That it is not desirable that this house should be deemed tacitly to have acquiesced in the declarations and recommendations contained in the report of the proceedings of the Imperial conference of 1926.

The resolution was voted down by this parliament, and a large majority of the house clearly signified its approval of the report. At this time I shall not commend or discuss the principles enunciated in 1926; they have been accepted. Even those who opposed, ridiculed and criticized, have been moved forward by the wave of public opinion and are now occasionally heard basing arguments on the doctrine of equality of status, however timidly and half heartedly they may propound

that doctrine. I will devote myself to a brief consideration of the work and the report of the conference on Dominion legislation which I had the honour to attend as the representative of Canada.

As the house is aware, that conference was set up for the purpose of examining the legal restrictions of dominion self-government which still survive from an early period, and of suggesting the most appropriate means of bringing these legal forms and practices into harmony with the constitutional position of equality as laid down by the conference of 1926. In some instances these survivals constitute a serious restriction on the power of the dominion parliaments to enact legislation which they consider essential or desirable. In other cases their obsolescence makes them inoffensive in practice, but they afford ground for misunderstanding both at home and abroad. It is quite true that under a flexible constitution old forms do not usually keep pace with actual developments; legal definitions instead of preceding the facts generally come later to sanction them. English public law has been built up in this manner and that is what makes it such a vigorous and adaptable instrument of government. The difference between the legal position and the facts brought about by new development however, is adjusted usually by constitutional fictions and conventions, but the time inevitably comes when certain fictions and practice have to be transformed into definite rules of law.

In that regard I cannot do better than quote the words of Professor W. P. M. Kennedy, of the university of Toronto, in an address which he read before the Canadian Bar Association last year, which was published and circulated by my hon. friend the leader of the opposition as president of the Canadian Bar Association. At page 14 he said:

> The divorce between constitutional law and constitutional theory—reflecting the realities of national groupings—broke up the first empire. Are there dangers of the continuance of that divorce to-day? Who can tell? Of this much I feel certain, that no sane subject of the crown ought to impose legal changes when clear-cut and unequivocal demands require them. You know the doctrine of varied aspects of the indivisable crown. For myself I do not look on the terms of "Canadian" and "British subject" as the horns of a dilemma, as two exclusive categories, rather are they two aspects of an indivisible legal fact. I believe it is not impossible to combine that fullest and most complete dominion autonomy with the deepest and most profound imperial unity; and I want neither, if I cannot have both. But there is always a danger when the laws of empire do not square with the facts of empire. To-day the sky is unclouded; but some Grenville, some North, some Townshend may lie hidden in the womb of time. And we have got to remember that no theory of law, no substansive law, can per se hold the empire together. Unity is deeper, more elusive, more subtle, than the statute book of any parliament, than the conventions or laws of any constitution; and the "if's" and "but's" of legal objection fortunately have proved to be the stones, rejected by the narrow-minded, which statesmen have built into our imperial fabric. I have stated my faith. I am no legal doctrinaire. Nothing is more irritating than speeches and editorials about limitations on our autonomy, except perhaps speeches and editorials emphasizing the legal situation at the expense of facts.

Mr. BENNETT: You might read the closing paragraph also.

Mr. LAPOINTE: The closing paragraph of what?

Mr. BENNETT: The closing paragraph of the address. I will not bother you, if you have not it at hand.

Mr. LAPOINTE: The conference of 1929 was held in order to recommend ways and means of adjusting inter-imperial relations from the legal point of view in order that the law might be brought as far as possible into harmony with the present political status of the dominions and to secure the foundation of the British commonwealth on a firm and stable basis. The conference derived its authority and mandate from the report of the Imperial conference of 1926, which after it approved of certain changes which it deemed necessary to effect in order that the doctrine of equality should be upheld, considered that in the application of principles to certain existing situations detailed examination would be required. The Imperial conference accordingly recommended that a committee should be set up, with terms of reference on the following lines:

> To inquire into, report upon, and make recommendations concerning—
>
> 1. Existing statutory provisions requiring reservation on Dominion legislation for the assent of His Majesty or authorizing the disallowance of such legislation.
>
> 2. (a) The present position as to the competence of Dominion parliaments to give their legislation extra-territorial operation.
>
> (b) The practicability and most convenient method of giving effect to the principle that each dominion parliament should have power to give extra-territorial operation to its legislation in all cases where such operation is ancillary to provision for the peace, order and good government of the dominion.
>
> 3. The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that act ought to be repealed, amended or modified in the light of existing relations between the various members of the British commonwealth of nations as described in this report.

The question of merchant shipping was also considered by the Imperial conference of 1926, and it was also decided to submit this question to a special committee, the terms of reference reading as follows:

To consider and report on the principles which should govern, in the general interest, the practice and legislation relating to merchant shipping in the various parts of the empire, having regard to the change in constitutional status and general relations which has occurred since existing laws were enacted.

The members of the conference of 1929 were therefore bound by their mandate, and the nature of their work was limited by the terms of reference as expressed in the report of 1926. Our task did not consist of enunciating new principles but in applying and giving effect to the principles accepted in 1926.

Before taking in their order the various subjects mentioned in the terms of reference, may I call attention to the desirability of preserving the conventional element in our constitution. The conventions always have been an important and even a dominant factor in the constitutional system; indeed, it would not be desirable or wise to erect a legal framework of our constitutional relations so as to merge the flexible conventional elements into a single rigid and restricted legal form. The possibility of easy growth and cooperation should be preserved. The peculiar genius of the British constitutional system has been the adjustment of relations by understandings and usages. All that is required is that old formulae and antiquated legal fictions, inconsistent with and contrary to the present state of inter-imperial relations, should be modified or eliminated. As Professor Kennedy stated, the laws of empire must square with the facts of empire.

The first question submitted was that of the power of reservation of dominion legislation. This question falls into two categories, discretionary reservation and compulsory reservation. Under the British North America Act, sections 55 and 57, Canada possesses only discretionary reservation while in Australia, New Zealand and South Africa certain subjects may be compulsorily reserved. Under the old form of law in Canada the Governor General in assenting to legislation adopted by parliament may make certain reservations for the King's assent, and that legislation is reserved until that assent is signified to the Dominion by way of proclamation. There are provisions relating to compulsory reservations in the Merchant Shipping Act, which are applicable to Canada, but I will deal later with that phase of the question. The discretionary power reservation has been dealt with in a satisfactory manner by the declarations of the Imperial conference of 1926 relating to the position of the governor general. The governor general is now the representative of the crown and is not in any sense a representative of the government of the United Kingdom, and any power of reservation which he possesses is no longer inconsistent with equality of status. However, that power can be exercised only in accordance with constitutional practice, that is, upon the advice of the Canadian ministers. It was agreed that a conventional statement by the Imperial conference is all that is required, stating also that His Majesty's government in the United Kingdom will not advise His Majesty the King to give the governor general any instructions to reserve bills presented to him for assent. It was decided also that it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by the government in the United Kingdom which would conflict with the views of the government concerned. It was agreed further that those dominions which possessed the power of amending their constitutions could do so, and that those dominions which required the cooperation of the parliament of the United Kingdom for such amendment would have only to take the proper steps in order to have the necessary legislation passed.

Practically the same principles apply to disallowance, the second question. Section 56 of the British North America Act, which is embodied in other dominion constitutions, is a remnant of the earlier stages of responsible government. Disallowance has not been exercised in relation to Canadian legislation since 1873, or to New Zealand legislation since 1867; it has never been exercised in Australia or South Africa. It is customary to say that the power of disallowance is as dead as Queen Anne. It was the unanimous agreement that a conventional declaration should be made in accordance with the amendment of the constitution as desired by the dominion.

A difficulty arose in connection with disallowance regarding dominion securities appearing on the British trustees list. The Colonial Stock Act of 1900 empowers His Majesty's treasury in Great Britain to make regulations governing the admission of dominion stock to the list of trustee's securities in the United Kingdom. One of the conditions prescribed by the treasury under that act is a requirement that in order to have stocks admitted to the British treasury list, a formal agreement shall be made whereby the British government shall have the right to disallow any legislation which it thinks might affect the securities adversely. This is a matter of

agreement, and the right of disallowance can be exercised when the dominion government has complied with the conditions. If this principle is adhered to by the treasury, it may have the effect of preventing borrowing by the dominion in the London market. However, as a matter of fact Canada has not borrowed in that market since 1913.

I come now to the question of extraterritoriality, as to whether or not the parliaments of the dominions have the power to enact legislation which would have extraterritorial effect. This question has been discussed in this country and in the other dominions with a marked difference of opinion. There is a conflict in the views expressed by the courts and in the writings of the authorities, both as to the existence of territorial limitations and as to their extent. The decisions of the Privy Council cannot be said to have solved the issue in any definite or unequivocal way. The case of McLeod which originated in New South Wales is usually quoted as the case which established the limitations. That was a case of bigamy and the Privy Council decided that a citizen of New South Wales could not be prosecuted for bigamy when the second marriage occurred outside the territory of New South Wales because the offence had been committed outside the jurisdiction of the government.

Mr. BENNETT: Our supreme court has held substantially the same.

Mr. LAPOINTE: By a majority. As the hon. leader of the opposition (Mr. Bennett) says, this question has been discussed in Canada. It was referred to the supreme court and two judges expressed the view that Canada had full extraterritorial power in the matter of bigamy, but three judges decided otherwise. It was in order to meet that difficulty that the Canadian parliament enacted an amendment to the criminal code to the effect that when a person leaves Canada with the intention of going to another place for the purpose of entering into a second marriage, he may be prosecuted, the offence being supposed to have been committed prior to his leaving the country.

Mr. BENNETT: Intent being the essence of the matter.

Mr. LAPOINTE: In the Canadian case of Cain versus the Attorney General of Canada, a man had entered the country contrary to the provisions of the Alien Labour Act. The immigration authorities instituted proceedings to expel him from the country, but a writ of habeas corpus was taken out on his behalf and the Canadian court decided that Canada had no power to expel a man under such circumstances because an extraterritorial effect was involved in the act of deportation. The case was appealed to the Privy Council which decided the other way, and said that Canada possessed that power.

To illustrate the conflict of opinions, I might mention the mandates given by the League of Nations and the peace treaties to New Zealand over the territory of Samoa and to South Africa over the territory of German West Africa. New Zealand thought that she had no power to enact legislation over the territory of Samoa, and she obtained that authority from the Imperial government.

In South Africa General Smuts claimed that his country had extraterritorial power. His contention was upheld and the South African parliament legislated without any additional authority.

In Canada the question came to the attention of the government in 1920 in a definite manner when the chairman of the Air Board recommended that steps should be taken to secure legislation providing that any law of Canada relating to aircraft registered in Canada may have effect without as well as within the territorial limits of Canada. The house will realize how important it is that our aviators should be compelled to observe Canadian regulations even when they are temporarily outside of Canadian territory. The subject is of tremendous importance also in other spheres, namely, fisheries, taxation, shipping, criminal law, deportation and the enforcement of laws against smuggling and unlawful immigration. The house in both 1920 and 1924, approved resolutions to the effect that this uncertainty should be cleared up, and legislation passed by the parliament of the United Kingdom declaring that this constitutional limitation does not exist. As the whole question was referred by the Imperial conference of 1926 to the special committee on dominion legislation, it has been thought better to await the report of the committee so as to have uniform legislation applying to all the dominions. In this matter again there was unanimity of opinion, and it is recommended that a declaratory enactment should be adopted by the parliament of the United Kingdom with the consent of all the dominions. It was asked that this power of extraterritorial operation of air legislation should be confined to Canadian nationals, but the views of the committee finally were unanimous that dominion legislation should have the same effect and be treated exactly the same as that of any other self-governing country.

May I by way of illustration cite the instance of Canadian citizens in British Columbia—this has came to my knowledge through correspondence—being indicted before courts of the United States for supposed conspiracy against certain laws of that country. We certainly must have the same right against any citizens of the United States who may be guilty of conspiracy against the laws of Canada.

Mr. BENNETT: The same thing arose in Buffalo.

Mr. LAPOINTE: Yes. I come now to the Colonial Laws Validity Act, to the principle of the legislative supremacy of the parliament of Great Britain which it embodies, and which creates the most important of all the constitutional anomalies with which the conference had to deal. From the historic point of view, having in mind the circumstances under which British rule was carried across the seas by settlement and conquest, one can easily understand this legislative supremacy and how necessary it was. Strange as it may appear, the act at the time it was passed, was rightly regarded as an enlargement of colonial legislative power rather than a restriction of it. It was enacted to remedy a situation created by the application of the common law rule, that legislation by colonial legislatures was void if repugnant to the law of England. Many decisions had been given by the Supreme Court of South Australia, invalidating several acts of the legislature of that colony under that rule, creating a condition of difficulty and chaos.

The Colonial Laws Validity Act of 1865 was enacted for the purpose of conferring upon colonial legislatures the power of making their laws, even though repugnant to the English common law, but it declared that a colonial law repugnant to the provisions of an act of the parliament of the United Kingdom extending to the colonies either by expressed word or by necessary intentment, should be void to the extent of such repugnancy. The act, of course, conferred validity upon the various laws of the legislature of South Australia which had been declared void by the courts.

As I stated, the act extended the then existing power of colonial legislatures, but it was enacted two generations ago. In 1865, when the act was enacted, not a single dominion had come into existence and the colonies were small and scattered, being mere communities. The legal situation which was then appropriate, is now recognized to be wholly unsuited to the present day needs and wishes of the dominions. In important fields of legislation the restrictions upon dominion legislative powers are causing serious inconvenience by preventing the enactment of legislation adapted to particular needs. All the members of the conference agreed that the Colonial Laws Validity Act was absolutely contrary to the doctrine adopted at the Imperial conference of 1926 and that it was necessary that the legal position should be brought into conformity with the changed facts. This is provided for by, first, a recommendation that the Colonial Laws Validity Act should be repealed in so far as it applies to a dominion; second, a recommendation that there should also be a substantive enactment affirming the power of the parliament of a dominion, lest a simple repeal of the act might be held to have restored the old common law doctrine. In the third place, in view of the existence of the legal power of the Imperial parliament under the common law, it was considered that the apropriate method of reconciling the existence of this power with the constitutional position, is to have the Imperial conference adopt a statement embodying the conventional usage, and that this convention should also appear in the proposed act to be adopted by the parliament of the United Kingdom.

I now come to certain remarks of the leader of the opposition (Mr. Bennett) in a speech which he made in the house on the address in the session of 1928. As reported on page 25 of Hansard of that year my hon. friend, referring to the conference of 1926, said:

> So as long as the Colonial Laws Validity Act remains on the statute book of Great Britain we have no equality of status. We may as well face these things. Nothing could be worse for this country than to tell the young men of Canada that we have equality of status when we have not.

Then at page 26, he said:

> Therefore until such time as the Colonial Laws Validity Act is repealed—and I have no doubt that members of this house would like to know precisely what that act provides—it follows that there can be no equality. It seems to me that nothing could be more fatal, nothing more injurious than to have the younger men of this country wake up some morning and find a decision of the Supreme Court of Canada to the effect that certain legislation passed by this parliament was invalid on the ground that it was repugnant to the provisions of a statute passed by the parliament at Westminster.

Further he said:

> Until such time as the British parliament at Westminster repeals that statute to which I have been referring our inferior position must continue.

I have here the provisions of the Colonial Laws Validity Act, which I have no doubt will be of interest to some of our friends, and I will take the trouble to quote from it.

Then I asked my hon. friend this question:

Mr. Lapointe: Do I rightly infer from my hon. friend's remarks that he will join with me in asking to have the Colonial Laws Volidity Act repealed?

My hon. friend replied:

My hon. friend, confronted with the difficulty of his own situation, seeks to escape by asking someone else a question. He will find that I am too old to be caught in that way. I resort to the language of Mr. Gladstone, "I will prescribe when I am called in." I will use every endeavour in my power, so long as I occupy this position to see to it that this country shall maintain a status of partnership within the British Empire and an equality with other partners in the commonwealth.

So that my hon. friend did not answer my question as to whether he would help me in 1920. Now that this thing has been achieved and we merely desire the approval of parliament, I have no doubt that he will gladly give his approval; at least I have less doubt in that respect owing to the fact that my hon. friend has recently given expression to a sound Canadianism and has even referred to equality of status. So I trust that we shall make it unanimous. My hon. friend this year, however, in his speech on the address, owing to the fact that this obstacle has been removed, found another one. He says on page 24:

That report makes certain recommendations, but, sir, can there be any such thing as equality of status in this Dominion and any subordination of one parliament to another if this parliament is deprived of the right to frame our own constitution? That is the test, the supreme test, of equality of status.

I do not agree with my hon. friend there. We do not possess that power at present as a result of the circumstances under which confederation was formed and because our people have not wished it otherwise. But that condition exists solely by will of the Canadian people, and not by reason of the control of a superior non-Canadian authority. Indeed the British authorities would gladly relinquish the exercise of such functions, and they do not hesitate to say so owing to possible amendments to the constitution that might be asked for and objected to by some of the provinces and the serious situation in which the Imperial parliament would thereby be placed. How can this be considered to be a condition of subordination? All restrictions rest upon our own will. They are not imposed upon us, but we respect and keep them because we want to do so, and they cannot take away from us the character and the rank of a nation.

As pointed out in this report, the question of another mode of amending the constitution is a matter for future consideration by the appropriate Canadian authorities, and by nobody else. How can this be deemed to be a subordinate situation? The question of adopting another method of amending the constitution has already been discussed on various occasions. It is an important question which requires careful consideration, but I repeat, it will be for the Canadian people, through the appropriate Canadian authorities, to decide as to any changes that may be desired in that respect. The views that I have expressed are I believe the views of the statesmen of Great Britain in that regard. I shall quote the words of Mr. Amery, former Secretary of State for the Dominions, who was one of the leading members of the conference of 1926. He said:

What it does mean is that each partner in the empire is equally entitled to exercise every function of national life, and if any such function is carried on for the purpose by some other part of the empire, that is a matter of convenience or mutual arrangement, and not an evidence of subordination on the part of one partner in the matter to another.

Mr. WOODSWORTH: Would the minister state who are the appropriate Canadian authorities?

Mr. LAPOINTE: The Dominion parliament would certainly be one of the main appropriate Canadian authorities, and certainly the parties to the pact of confederation have also the right to be consulted and the right to discuss any new methods proposed.

Mr. SMITH (Cumberland): May I ask a question?

Mr. LAPOINTE: Well, this is rather a technical subject.

Mr. SMITH (Cumberland): I shall be brief. In view of what the minister states, that we have equality of status, would he explain what was meant by the phrase of the late Lord Balfour that, although we had equality of status, it did not universally extend to functions. If it does not universally extend to functions, what is the good of it?

Mr. LAPOINTE: I think the words of Mr. Amery which I have just quoted answer the question of my hon. friend, and I would refer him to them.

The merchant shipping legislation is a most important question, surrounded with many difficulties. It was the subject of a special reference by the Imperial conference of 1926, and was submitted to a special committee by the Imperial conference of 1929. A member of the Canadian delegation, Mr. Burchell, of Halifax, had the honour to be selected as chair-

man of that committee and his work as such has received the commendation of all the members of the conference. That special committee presented a unanimous report, which also was adopted unanimously by the conference. May I briefly relate what the present position is with regard to this question?

The Merchant Shipping Act of 1894, that is the imperial act, is substantially so far as its application of Canada is concerned a re-enactment of the provisions of the 1854 act, which antedates the British North America Act by thirteen years. Under section 91 of the British North America Act the exclusive legislation authority of the parliament of Canada extended to all matters coming within the class of subjects enumerated therein, including navigation and shipping. At the Imperial conference of 1897 Sir Wilfrid Laurier claimed that under the constitution of Canada our powers to legislate over shipping were plenary and absolute and subject only to the powers of this house. It was practically a reiteration of the stand taken by Sir John Thompson as to the unlimited power of Canada in dealing with the subjects mentioned in section 91 of the British North America Act. It must, however, be admitted that the decisions in the court indicate, although not with absolute certainty, that their opinion is that imperial statutes passed before and after confederation in regard to such matters as shipping and navigation over-ride the legislation of the parliament of Canada. Since 1911 the practice has been established that enactments of the parliament of the United Kingdom in relation to merchant shipping have not been applicable to the Dominion, but even there this situation gives rise to a difficulty which I will note Under the legislation enacted by the parliament at Westminster before 1911, and it is by far the most important statute concerning the empire, Canada is dealt with as if it were still a crown colony. The legislation of 1854, which was made for the British possessions of that day, is substantially the legislation which is still applicable to Canada. Under these acts, combined with the operation of the Colonial Laws Validity Act, the legal position may be summarized as follows:

(a) The parliament of Canada, under the authority contained in section 735 of the Merchant Shipping Act 1894, may repeal any provision of that act other than those of the third part which relate to emigrant ships, and not to ships registered in the Dominion. The Dominion parliament is thus in a position to substitute its own laws, but the act provides that such repeal must be confirmed by His Majesty in council in the United Kingdom, and it does not take effect until approval has been proclaimed in the Dominion. Under other sections of the 1894 act, if there is any conflict of laws on certain subjects, the case is to be governed by the provisions of the 1894 act, and not by the laws of the Dominion. The parliament of a dominion has no authority to enact legislation repugnant to the legislation of the parliament of the United Kingdom relating to ships coming into the harbours or territorial waters of the dominion if such ships are registered in other parts of the British commonwealth or even are foreign ships.



The parliament of Canada under another section of the Merchants Shipping Act of 1894, that is section 736, may enact legislation to regulate the coasting trade of the Dominion. But in this case also such legislation must contain a suspending clause providing that the act shall not come into operation until His Majesty's pleasure thereon has been publicly signified in the Dominion. It is also enacted that such legislation treat all British ships in exactly the same manner as ships of such Dominion, and when His Majesty has agreed to grant rights and privileges in respect to the coasting trade to foreign states, those rights and privileges must be respected by the Dominion.

Further, the legal situation is still more confusing because of the fact, as I have already stated, that legislation of the parliament of the United Kingdom since 1911 was expressed not to extend to the dominions. The restrictions, however, imposed by the Merchants Shipping Act were not removed, and because of the Colonial Laws Validity Act, legislation passed by a Dominion parliament on the same subject may be held to be void and inoperative on the ground of repugnancy.

There have been international conventions relating to shipping. Indeed, the modern tendency is that laws and regulations concerning navigation and shipping should become as far as possible internationally uniform, and it has already been made so in various respects of maritime law. It is found, however, that if a dominion parliament desires to enact and enforce these regulations and laws, it may find it impossible to enact legislation to that effect as certain fields of jurisdiction appear to be reserved for the parliament of the United Kingdom. In Australia the situation is obviously the same, and may I quote the words of former Attorney General Latham, who was attorney general in the government of Premier Bruce—no better imperialist can be found anywhere—in a book he published

entitled Australia and the British Commonwealth. At page 103, in the chapter dealing with the Merchant Shipping Act, he says:

> The position in Australia with regard to merchant shipping and navigation is confused, obscure and radically unsatisfactory.

The concluding words of the chapter, speaking of sections 735 and 736 of the act, are as follows:

> It is submitted that they belong to a past age and that their continuance serves no useful purpose.

It was unanimously agreed that the existing legal situation is no longer in accord with the constitutional status of the United Kingdom and the dominions. The recommendations which have been made are rather extensive in their character and are all described in the report which all members of the house have in their possession. I will merely state that the recommendations regarding the extra-territorial effect of dominion laws, the Colonial Laws Validity Act, reservation and disallowance, are all applicable to the constitutional position of legislation affecting merchant shipping. When these conclusions are given effect to, and the restrictions imposed by sections 735 and 736 of the Merchant Shipping Act are removed, the ground will be cleared for cooperation amongst the members of the British commonwealth in all matters which call for concerted action. The conference has indicated many subjects as to which agreement is recommended in the interests of all the various subjects relating mainly to common status, standards of safety, and uniform treatment of all British ocean going ships in the ports of the British commonwealth.

In that respect, may I call attention to the recommendation concerning the coasting trade. While it is recommended that the governments of the commonwealth might agree for a limited number of years to continue the present position under which ships of any part of the commonwealth are free to engage in the coasting trade of any other part, it is specifically stated that this will not affect the right of any part of the commonwealth to impose conditions of a general character on all ships engaged in its coasting trade, or to impose customs tariff duties on ships built in other parts of the commonwealth or outside it, or to give financial assistance as it thinks fit to its own ships.

There are also recommendations concerning internal discipline and agreements with the crew, certificates of competency and service, courts of inquiry, distressed seamen, mutual enforcement of law, forfeiture, and carriage of goods by sea. The report, I submit meets the constitutional considerations in favour of freedom of action, and the business considerations in favour of substantial uniformity.

May I say that it has received favourable consideration on the part of various shipping interests, and although there remains the question of detail of some difficulty, the whole subject will receive careful consideration by all the departments concerned and by the shipping interests before final action is taken.

Now I come to the Colonial Courts of Admiralty Act. The legal situation with respect to admiralty jurisdiction is substantially the same as under the Merchant Shipping Act. At the present time admiralty courts in the dominions constituted under the provisions of the Colonial Courts of Admiralty Act, 1890, and their jurisdiction is the same as that of the high court in England under that act. Rules for regulating the procedure and practice can be made by a colonial court of admiralty, but they cannot come into operation until approved by His Majesty in council. Any colonial law which affects the jurisdiction or practice in the courts, must be reserved for the signification of His Majesty's pleasure.

A complicated situation arises by reason of a recent decision of the Privy Council to the effect, that the jurisdiction of an admiralty court in the dominions, is that of the high court of England as it was when the act was passed in 1890, and that all of the important additions made to the jurisdiction of the high court since 1890, do not apply to the courts in the dominions.

The whole situation is certainly not in accord with the present constitutional status of the dominions, and the recommendations of the conference are, that each dominion shall have power to repeal the Colonial Courts of Admiralty Act if it so desires, and may establish courts under its own laws. It is, however, emphasized that as far as possible, there should be uniform jurisdiction and procedure in all admiralty courts in the British commonwealth of nations. In this as in other respects, while the principle of freedom and equality is being given effect to, the desirability of cooperation is expressed and the means of achieving it indicated.

The members of the conference approached their task in the spirit which inspired the framers of the declaration of 1926, and it is the result of their work which I now submit for the approval of the house. The British Empire of to-day is an association of states, each member of which possesses an international capacity, and in which there is no longer a single central power having exclusive initiative and control. This association

has its origin in an agreement among autonomous nations which propose to obtain by common action certain common objects, each of them retaining its liberty and the full exercise of self-government, domestic and external, and subject only to the restrictions inherent in the very ideals of the association. We are giving to the world a demonstration of the fact that partnership and cooperation do not mean absorption, and that in our great association each nation has its own individuality and leads its own life. We are proving in a most convincing manner that the only true union among the democratic peoples lies in the unrestricted liberty both of their institutions and of their relations with each other and with the world, and that full freedom of action united by the powerful bond of the imperial crown, which is the keystone of the alliance between the dominion and the mother country, will permit pursuing in an unfettered manner the policies which best suit their needs, and the freedom which they enjoy and which will continue to be the strongest factor in the maintenance of harmonious and useful relations. If the legal bonds may appear to have been altered or diminished the real strength of the whole structure has effectively increased, because a community of self-governing nations can work together in peace and unity only through voluntary cooperation in unrestricted freedom. The more prosperous, the more contented and the more free the dominions are, the stronger, the better organized and the more united will be the commonwealth. May I quote the words used by Lord Balfour a few months ago in the House of Lords?

> The commonwealth is held together far more effectually by broad loyalties and common feelings of interest and devotion to the great world ideals of peace and freedom than by anything else. A common interest in loyalty, in freedom, in ideals, that is the bond. If that is not enough, nothing else is enough.

At every stage of the constitutional development of the dominions there have been critics and reactionaries who have professed to see the coming dissolution of the empire; those prophets of disaster however have been consistently proved to be wrong. Self-government implies trust, confidence, reasonableness, and common sense on the part of those who enjoy it. Self-respect, self-confidence and self-control are as necessary to nations as to individuals. The recommendation I have mentioned will be submitted to the Imperial conference to be held this year in the month of September. On two or three occasions my hon. friend, the leader of the opposition, has stated that the man who will represent Canada at that conference must receive a mandate from the Canadian people. With this statement I heartily agree. I believe also however that this parliament should be given the opportunity to express its views on the important report which will be submitted to that Imperial conference. Certain statements which are disquieting and startling in their lack of appreciation of the present position of our country are sometimes made by responsible and public men. May I quote one statement as an illustration? A few weeks ago my hon. friend from South Wellington (Mr. Guthrie)—who is absent from the house, and for whose recovery from illness I express my hearty wishes—used the following words:

> Since January, 1926, we have had representations in London at a peace parley. You would almost think it was a six power instead of a five power parley. We are gradually interfering in the affairs of Europe generally. . . . We are posing as a nation when we are not a nation at all.

This parliament and indeed the Canadian people must see to it that this shall not be the spirit of those who represent Canada at this momentous convention. Shall Canada speak in terms of a nation, or shall she speak in terms of a backwoods community in need of aid and control? I submit this resolution in order that parliament may unequivocally accept the principle which has been accepted by all the statesmen in the various parts of the commonwealth, and in order that the representatives of Canada, whoever they may be, may be able to convey to the conference our full cooperation in the doctrines laid down by the conference of 1926, and our conviction that the very foundation of the empire rests on the solid rock of liberty, autonomy, and equality of citizenship and nationhood.

Mr. C. H. CAHAN (St. Lawrence-St. George): I think this house is to be congratulated upon the fact that at length some of the suggestions of the Imperial conference of 1926 have been presented to this parliament for its approval and confirmation. My hon. friend has referred to the mandate which he and those who represented Canada had received when they attended the meeting of the committee at London in 1929. They certainly have not sought and have not received a mandate from this House of Commons or from the Senate of Canada. Although suggestions contained in the Imperial conference resolutions of 1926 concerned not only this Dominion and its relations to the other dominions but, in most part, concerned also the intimate relations existing between this parliament and the legislatures of the several provinces, I have yet to learn that the several

provinces were ever officially notified of those resolutions or were ever asked to consider them or to give legislative sanction or even an official opinion in respect thereto. That, I think, has been a very serious omission on the part of the government.

In recent discussions of the political relations of this dominion to the United Kingdom and to the other dominions, we have consistently maintained that those who desire the survival of that vast political entity, known as the British Empire, should constantly insist that all existing political machinery should be employed to develop common political ideals and to ensure the cordial cooperation of the government of the United Kingdom and the governments of the several dominions in carrying their common ideals into full practical effect.

In considering the report of the Imperial conference of 1926, I have repeatedly directed attention to the fact that the ultimate solution of the problems presented by that report will affect every phase of our political, commercial and social life. Every man and woman, who is entitled to Canadian citizenship, whether by birth or naturalization, is interested in ascertaining what will be his rights, privileges, obligations and duties, whenever he passes beyond the frontiers of Canada, after the constitutional changes, which are now proposed, are brought into full effect.

Every Canadian shipowner is concerned to know what will be the status of his ship, its officers and crew, on the high seas, or in British and foreign ports, when they are no longer subject to the Merchants Shipping Acts and to the jurisdiction of the Admiralty of the United Kingdom.

Every Canadian merchant, engaged in the foreign trade of Canada, is directly interested in the ultimate preservation of the manifold rights and privileges which appertain to British subjects in their commercial intercourse with foreign countries, under the terms of existing treaties between the government of the United Kingdom and the governments of foreign states.

The people of this Dominion desire, I am convinced, not merely the barren and futile right to enter into separate relations with foreign powers, but also the assurance, especially with regard to shipping, that the whole weight of British diplomacy and of British authority should be on their side in case their vital interests are imperilled. In fact, existing imperial acts and treaties, applicable to Canada and to Canadians at home and abroad, affect our material interests in innumerable ways. If these are to be wiped out, their abrogation will involve the immense constructive work, on the part of the dominions, of devising a whole series of constitutional conventions and interimperial and international agreements and treaties which will clearly determine the relations of the dominions between themselves, as well as with foreign countries, if the empire shall hereafter remain a subsisting political entity and not merely a free association of independent sovereign states.

For myself, I am fully convinced that the complete breach of our continuous community of political relations and of political ideals would not only make for serious domestic dissensions, and perhaps induce even civil strife in Canada, but would seriously diminish the growing influence of this country upon world affairs; for no dominion is strong enough, even if it so desired, to afford the luxury of a completely independent political policy in respect of its external affairs. In discussing this subject in this house on the 29th of May, 1928, I made a statement, which I now repeat:

> I have had occasion to look into the statutes of the parliament of Great Britain which still apply to us and, the longer I pursued my investigations, the more statutes and treaties I found which directly affect us. I would suggest to the government that when they come to consider the modification of these statutes they will find their ramifications so extensive as almost to appall them. Before the next imperial conference this government should make haste slowly, and, by such expert assistance as is available, should probe these matters to the bottom. They should do this not with a view to organizing some method of taking this dominion out of the commonwealth, but to devise ways and means by agreement and concurrent legislation, and, by new conventions where legislation is not necessary, for the purpose of keeping this Dominion within the British commonwealth. Let us keep Canada in the empire as a dominion fully conscious of its rights and privileges, but also conscious that we must play our parts, man for man and government for government, with those of the other dominions of the commonwealth, in maintaining the political unity of the empire to which we now belong.

Briefly, I am persuaded that it is in the best interests of Canada that the British commonwealth of nations, which is commonly known as the British Empire, should remain a subsisting political entity, and not merely a free association of independent states.

I frankly confess that in entering upon a study of the report of the recent London conference on the operation of dominion legislation, and particularly merchant shipping legislation, my opinions are doubtless coloured by such important considerations as those I have just mentioned. The assertion of

"equality of status" as between the United Kingdom and the several dominions is utterly inadequate to define the whole of the political relations which should continue to subsist between the dominions to each other and to the United Kingdom. The London committee appear to have ignored all such other considerations.

Lord Milner, in his lifetime, fully recognized the necessity of an equal partnership between the United Kingdom and the dominions, but, he added:

Undoubtedly the working of it out in practice without bringing about a severance of relations between us and the dominions will be one of the most complicated tasks which statesmanship has ever faced.

The recent addresses of General Smuts in Canada contained a strong appeal in favour of the developing by constructive efforts of the continuous community of our interimperial relations.

The report of the recent London conference on the operation of dominion legislation and merchant shipping legislation is now before us. In the words of the London Post, the conference "has produced an obscure, pedantic and tedious report," and I may add concerning this report that prolix as it is, it is almost wholly lacking in intelligently directed constructive effort or effect.

Mr. LAPOINTE: That is a good Tory comment.

Mr. CAHAN: That is a very intelligent comment. The report first considers the right of the crown, on the advice of the government of the United Kingdom, to disallow dominion acts, and the right of the Governor General to reserve dominion bills. The report alleges that there is no provision in our constitution, the British North America acts, "requiring" reservation. That is literally true, but there are provisions authorizing such reservation of dominion bills. The reservation by the Governor General of bills passed by the parliament of Canada is authorized by sections 55 and 57 of the British North America Act, 1867. The disallowance by the king in council, that is by the government of the United Kingdom, of statutes enacted by the parliament of Canada, within two years after copies of such statutes are received by the Secretary of State at London, is authorized by section 56 of the British North American Act, 1867.

These provisions of the British North America Act may only be amended or repealed by a new act of the parliament of the United Kingdom, and, so far as Canada is concerned, the committee, after a verbose explanation, conclude that:

We desire to place on record our opinion that it would be in accord with constitutional practice that if so requested by the dominion concerned the government of the United Kingdom should ask parliament to pass the necessary legislation.

That is, for the repeal of these sections. This conclusion is evidently regarded by the committee as an expression of profound wisdom, although it might more aptly be described as trite and commonplace, except that the committee has ignored completely the right of the provinces to be heard in respect of such amendments to the British North America Acts, to which they became parties when admitted to this Dominion as provinces.

The committee points out that under the provisions of the Colonial Stock Act, 1900, the Treasury of the United Kingdom is authorized to prescribe the conditions under which a colonial stock, that is, the bonds or debentures of any colony, may be authorized as investments for trustees under the Trustee Act of 1893 of the United Kingdom. One condition so prescribed, as pointed out so clearly by the Minister of Justice, is that the British government may disallow dominion or colonial legislation which appears to the government of the United Kingdom to alter any of the provisions affecting the stock to the injury of stockholders resident in the United Kingdom, or which would involve a departure from the original contract in regard to such stock. The committe reported:

—the right of disallowance in respect of such legislation must remain and can properly be exercised.

There is to be no complete repeal of the disallowance exercised by the Imperial government under the British North America Act of 1867. Might I suggest that the Canadian members of that committee might have considered as an alternative that perhaps the time would soon arrive when the governments of the dominions and especially the government of Canada might very properly seek an agreement with the British treasury for the amending of the existing British treasury regulations governing the admission of dominion stocks to be inscribed as trustees' securities. We may no longer desire to procure such inscriptions by conceding to a British ministry the right to veto legislation which is intra vires of a Canadian parliament, and certainly the time has now arrived when the British treasury may rely upon the good faith

of the Canadian parliament in carrying out such conventions and understandings as now exist concerning such inscriptions of dominion securities, without being placed under the penalty of having their legislation vetoed by a British ministry.

The minister discussed at length the extra-territorial operations of Dominion legislation, and he referred to certain resolutions passed in recent years by the parliament of Canada, but he failed to indicate to the house how seriously the subcommittee, of which he was a member, had departed from the views expressed by a previous resolution of this parliament. A joint address of the Senate and Commons of Canada to His Majesty was passed unanimously by the House of Commons on June 24, 1920, and by the Senate on June 26, 1920, requesting an amendment to section 91 of the British North America Act to provide:

> Any enactment of the parliament of Canada otherwise within the legislative authority of the parliament shall operate and be deemed to have operated extraterritorially according to its intention in like manner and to the same extent as if enacted by the parliament of the United Kingdom.

That joint address, which was passed by the unanimous vote of this house, contained as one of its essential terms the principle that the enactments of the parliament of Canada, which were to have extraterritorial operations, were to be confined to such statutes as were within the legislative jurisdiction of parliament. That was a very important reservation. Subsequently, on July 17, 1924, this house passed an amended address to His Majesty, substituting the following words:

> An enactment intra vires of the parliament of Canada, if expressed to operate extra-territorially, shall have and be deemed to have had that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada.

I believe that resolution was proposed to this house by the present Minister of Justice. When it was first introduced to the house the words "intra vires" were omitted, and it was only in the Senate that these words were introduced after considerable discussion and after objections had been voiced by the premiers of some of the provinces, particularly by the premier of Ontario. These two words were then introduced in the resolution by the Senate, and the resolution passed in the terms which I have just stated.

When the imperial conference met at London in 1926, the sole authority of the representatives of Canada at that imperial conference in regard to dealing with the question of extraterritorial operation of Dominion laws was the resolution of July 17, 1924, giving extraterritorial effect exclusively to enactments otherwise intra vires of the parliament of Canada. The imperial conference recommended as follows:

> That each dominion parliament should have power to give extraterritorial operation to its legislation in all cases where such operation is ancillary to the peace, order and good government of the dominion.

The Minister of Justice, behind the back of parliament and in total disregard of the previous instructions of parliament, eliminated the words "intra vires" from the proposal then made and recommended. The subcommittee of that conference has expressed the following opinion:

> The introduction of a reference to legislation ancillary to the peace, order and good government of Canada is unnecessary, would add to the existing confusion on the matter, and might diminish the scope of the powers, the existence of which it is desired to recognize.

I think the Minister of Justice should tell us what powers that committee had in view which they so desired to recognize. He has failed to elucidate the object and intent of the Canadian representatives in agreeing to that recommendation, but I think the context affords an answer. The member of this government, who sat as representative in that committee, desired to recognize the complete severance of those political ties and reciprocal duties and obligations which bind the dominions to each other and to the United Kingdom. In utter disregard of the terms of the resolution of July 24, the committee recommended an imperial enactment by which it should be declared and enacted:

> That the parliament of a dominion has full power to make laws having extraterritorial operation.

That is, they seek powers unrestricted on the one side by any interimperial obligations or relationships, or on the other, by any concern for the constitutional rights and interests of the several provinces of Canada.

Surely the proposed enactment should not confer unlimited powers, but should be restricted to such matters as are within the legislative jurisdiction of a dominion parliament. We certainly should not seek in this way by indirect means to wipe out all restrictions upon dominion legislation, particularly as each and every province is intimately, if not vitally, concerned in those existing restrictions being adhered to. I respectfully suggest

that the clause should be drafted in some such form as this, before the house is asked to give complete approval of it:

It is hereby declared and enacted that the parliament of Canada, in respect of matters within its legislative jurisdiction, has full power to make laws having extraterritorial operation.

Otherwise you are infringing upon the rights and privileges of each and every province of Canada under the constitution as it at present exists, and I submit that this government, this house and parliament have no moral or constitutional right to change the constitution of Canada in vital respects without calling together the representatives of the provinces and obtaining their opinion in regard to the proposed changes.

Mr. THORSON: Surely my hon. friend appreciates the fact that the jurisdiction of the provinces is absolutely unaffected by any recommendation contained in the report.

Mr. CAHAN: I will deal with that in a moment. I do not agree with that at all. That is just where the crux of the whole matter arises in respect of extraterritorial legislation. It is true that the committee expressed the pious hope that hereafter each dominion should make provision for granting to the others the customary extraterritorial immunities with regard to internal discipline, which are usually conceded to and enjoyed by the armed forces of one government when present in the territory of another government with its consent. It is presumed that, despite the Kellogg peace pact, we may hereafter be involved in war and that military forces of this dominion may be sent abroad into some other dominion or into the United Kingdom by the dominion parliament and government. In any event, it is assumed that the relations between dominions, and between the dominions and the United Kingdom, shall hereafter be those which subsist between independent sovereign states. That is the whole gist and purport of these resolutions and of the report giving extraterritorial effect to the legislation of the parliament of Canada.

The extraterritorial legislation of a dominion is evidently intended to apply to acts committed beyond the territorial limits of the dominion, that is on the high seas or within foreign states or even within the territorial jurisdiction of the United Kingdom or of another dominion or some other colony or possession of the British Empire. But, to apply to acts committed by whom? Surely not to acts committed within the United Kingdom by Englishmen, Scotsmen or Irishmen who are domiciled in the United Kingdom. Surely not to acts committed by Australians who are domiciled within the Commonwealth of Australia. It is true that sovereign states are deemed to have extraterritorial jurisdiction, as the Minister of Justice has pointed out, over their own nationals wherever they are, and the United States have gone one step beyond that and assumed that they have jurisdiction within their own territory over nationals of other countries for acts committed outside the territorial limits of the United States. But who are to be deemed Canadian nationals under the proposal made by the subcommittee? Who are to be deemed Australian nationals? Does a British subject who is born in Canada and has been domiciled in Canada, who retains his British allegiance, remain a Canadian national when he crosses our southern border and takes up his residence in the United States? What class or classes of persons are to be subject to such extraterritorial legislation as the Dominion of Canada may hereafter enact? All British subjects now possess a common status throughout the empire and throughout the world, by virtue of the fact that they are British subjects. After this proposed legislation passes, in what respect will Canadian nationals be British subjects when outside of the territorial limits of Canada?

The preservation of our status, rights and privileges as British subjects is, I believe, the predominating political purpose of a large majority of the people of this Dominion, and any efforts made directly or indirectly to subvert and destroy that status will not receive the commendation of the Canadian people as a whole.

The London committee's report, it seems to me, does not disclose any intelligent effort to achieve that end and purpose to which I have referred. It is apparent that the committee have confined their efforts to ascertaining the practicability and most convenient method of dissolving existing political ties, but none whatever to the work, so eminently desirable, of evolving a new constitution or convention, by virtue of which the legislative and administrative autonomy of the dominions may be maintained, and by which the common status of British subjects and the common privileges of British citizenship may also be preserved for all time to all British peoples.

But the report says that the dominions are freely associated as members of the British commonwealth of nations, and upon that the Minister of Justice has to-day repeatedly

rung the changes. So they are in fact freely associated as members of the League of Nations. But the British Empire is a political entity; the League of Nations is not. There are other grave differences. The British Empire is a legal person; the League of Nations is not. We enjoy throughout this empire an imperial citizenship, but there is no such thing as citizenship in the League of Nations. The writ of habeas corpus runs throughout the British Empire to its uttermost parts for the protection of the life and liberty of all who owe allegiance to the British crown. The prestige and power of the British Empire assure the liberty and safety of the British subject, in whatever dominion he may be domiciled, whenever and wherever he sails upon the high seas, and whenever and wherever he travels in foreign parts. But what definite measures are proposed in this committee's report to ensure the preservation of these liberties and privileges once the empire is disrupted into independent states? I submit that there are none whatever.

No intelligent study is made by the committee concerning the disintegrating effects of their proposals upon the unity of the empire, and the portentous and perilous results that will necessarily flow therefrom, if full effect be given to their recommendations for the repeal of existing statutes before new conventions and new agreements are devised in substitution for the unitary political system which now subsists.

My hon. friend has referred at length to the Colonial Laws Validity Act. The report approves of the enactment by the parliament of the United Kingdom of a statute in the form following:

(1) The Colonial Laws Validity Act, 1865, shall cease to apply to any law made by the parliament of a dominion.

(2) No law and no provision of any law hereafter made by the parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future act of parliament or to any order, rule or regulation made thereunder, and the powers of the parliament of a dominion shall include the power to repeal or amend any such act, order, rule or regulation in so far as the same is part of the law of the dominions.

Obviously, though not expressly stated, the reference to "the provisions of any existing or future act of parliament" refers to acts of the parliament of the United Kingdom; and it is equally obvious that the clause respecting "the powers of the parliament of a dominion" to repeal or amend any such imperial act, in express terms, authorizes the Dominion parliament to repeal or amend any present or future acts of the parliament of the United Kingdom relating to any dominion, even including those acts by which any such dominion is constituted, since there is no doubt whatever that an act of parliament of the United Kingdom which constitutes a dominion is part of the law of the dominion.

The Minister of Justice would, if he had an opportunity, doubtless retort as did my hon. friend from Winnipeg South Centre (Mr. Thorson) that there is a subsequent provision in the proposed enactment that:

Nothing in this act shall be deemed to confer any power to repeal or alter the constitution acts of the Dominion of Canada. . . . . otherwise than in accordance with the law and constitutional usage and practice heretofore existing—

I think that if my hon. friend had wished to protect the rights of the constituent provinces of the Dominion he could have found far more definite and specific terms to employ than those which I have just quoted. There is no law or constitutional usage or practice heretofore existing by which any such amendment or repeal of the British North America Act could be enacted by the parliament of Canada. Other dominions under their different constitutions have certain powers of amendment; we have none.

Surely the intention of the draftsman could be more clearly and definitely and less clumsily expressed than by first baldly declaring that the Dominion of Canada has full power to repeal or amend its constitution, and then intimating in a final clause at the close of the report that that object can only be effected in a way which does not at present exist.

Moreover, the committee's report clearly announces that our provincial "legislation will continue to be subject to the Colonial Laws Validity Act and to the legislative supremacy of the parliament of the United Kingdom." The report adds that:

It will be a matter for the proper authorities in Canada. . . .. to consider whether and to what extent it is desired that the principles to be embodied in the new act of the parliament of the United Kingdom should be applied to. . . . provincial legislation.

One could not conceive of a proposition more half-baked, if I might use the term—

Mr. LAPOINTE: There is no word bad enough!

Mr. CAHAN: It is sometimes difficult to find appropriate parliamentary terms. If the Colonial Laws Validity Act is to have no future application to Dominion legislation, why should it have any effect upon and curb and restrict the legislative jurisdiction of the various provinces of Canada? If the Colonial

Laws Validity Act is to be kept in force with respect to provincial legislation, why during the recess or why now does not the Prime Minister call together the representatives of the various provinces to ascertain what their views are, so that in dealing with this question we may not deal with it in an inadequate manner? If the Colonial Laws Validity Act is to be repealed in respect of Dominion legislation, a conference might ascertain now in what manner the repeal should be expressed so as to give to the provinces exactly the same jurisdiction in respect of matters within their legislative jurisdiction as is now to be given to the parliament of Canada?

Mr. GARLAND (Bow River): May I take it that the hon. gentleman is in favour of the repeal of the act with respect to the provinces?

Mr. CAHAN: I think I have expressed my opinion very fully.

Mr. GARLAND (Bow River): Not quite fully, I think.

Mr. CAHAN: I shall before I am through, but I wish to do it consecutively and in a manner that comports with my own views.

This raises at once the broad question whether the government of this Dominion, even with the approval of this parliament, has the constitutional right to procure the enactment of an imperial act, in the terms now suggested, without first procuring the consent or approval of the governments and legislatures of the several provinces of Canada. I, for one, have very grave doubts as to the constitutional propriety of any such action. The government of this Dominion, in my opinion, has no moral or constitutional right to procure the enactment of the proposed legislation without first obtaining the formal consent of the several provinces.

I come now to another important phase of this report, the merchant shipping legislation The keynote of this part of the report is the declaration that:

> The new position will be that each dominion will, amongst other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in coasting trade; and also over its own registered ships both intraterritorially and extraterritorially.

To attain this end the committee advocates the repeal of all restrictions or limitations upon dominion legislation which are at present contained in the merchant shipping acts of the imperial parliament. Then, they say, the ground will be thus cleared for cooperation by the dominion and the United Kingdom in respect of those shipping interests in which practical considerations call for concerted action; and they suggest that such concerted action should, as the Minister of Justice stated, take the form of agreements, for a term of years, which may hereafter be negotiated as to:

(a) Uniformity of laws throughout the British commonwealth;

(b) Reciprocal aid in the enforcement of laws in the jurisdictions of other members of the British commonwealth; and

(c) Limitations to be observed in the exercise of each dominion's legislative powers.

Although the committee recognize the difficulty of framing a complete list of subjects upon which uniformity is desirable, in respect of which, it seems to me, the whole British shipping world should be consulted, and certainly the shipping interests of Canada, before such approval is given, they enumerate several that occur in their minds.

They seek a common status, involving:

(a) Uniform . minimum qualifications for ownership to govern the registry of ships in the United Kingdom and in all the dominions, and

(b) The establishment of such a common status for all dominion shipping as will entitle dominion ships to the same recognition as is now accorded to British ships.

But they fail utterly to suggest how this common status is to be achieved. They propose a Canadian registry for Canadian ships, which whether in Canadian waters or beyond the territorial limits of Canada, will remain under the exclusive jurisdiction of the parliament of Canada. The protection of such ships, the security of their trade, will then be the sole responsibility of the parliament and government of Canada. The government of the United Kingdom will then have no duty or responsibility in the premises. Their masters and owners, suffering unjust treatment in foreign jurisdictions, can only appeal to the Canadian government for relief and redress of wrongs.

When that situation arises, I confidently predict that there will remain no ships of Canadian registry engaged in foreign trade, excepting those owned by the Canadian government; for Canadian shipowners, for their own protection, will transfer the registry of their ships to London, Liverpool or some other port of the United Kingdon, and thus place their property and interests on the high seas and in foreign ports under the protection of the government and admiralty of the United Kingdom.

The committee recommend that uniform standards should be observed by all the

dominions in all matters relating to the safety of dominion ships and those on board; and the general adoption of appropriate conventions to secure that end; or, at the least, that each dominion should inform the others —we are now getting back to the old principle of negotiation of treaties—of any substantial modifications proposed to be adopted, and the reasons therefor, in order that uniformity may be maintained.

Before destroying the existing imperial legislation in respect of British shipping, which ensures a common status for British ships throughout the world, and secures uniform standards of safety, both in respect of ships and seamen, is it not most desirable that the governments of the dominions should first undertake the comprehensive yet onerous task of framing, by concerted action, such necessary conventions and agreements as the committee deem essential? It takes a thousand years to develop a political system, a single hour may suffice for its complete destruction.

The committee recommend, not as precedent to but as subsequent to the repeal of the existing imperial legislation, which applies to the ships of all the dominions, that each dominion should now accept the principle that legislation with extra-territorial effect, enacted by one dominion, should not be made to apply to the ships registered in another dominion, without such other dominion's consent. Why not now seek to obtain a general agreement to that effect, before wiping out the existing legislation which secures such desirable uniformity of action.

The committee also report that continued uniformity of treatment is desirable for all ocean-going ships of each of the dominions in the ports of any other dominion. They say:

> Such uniformity of treatment is regarded as an asset of very considerable importance, especially for the negotiation with foreign governments who may seek to discriminate in favour of their own ships and against British commonwealth ships.

When we consider the vast ramifications of this subject of securing uniform treatment of dominion shipping throughout the wide world, and its paramount importance to every owner of shipping, who is domiciled in a dominion, this feeble and—I use another and more expressive word—almost infantile pronouncement of the committee appears by contrast to be utterly inadequate. No suggestion is made that the governments of the United Kingdom and the governments of the several dominions should first adopt an agreement or convention, whereby the power, authority and influence of the whole commonwealth would be utilized to protect and safeguard the shipping interests of any dominion which is discriminated against or otherwise unjustly and unfairly treated by a foreign government. The committee merely recommends that the government of the United Kingdom and the governments of the several dominions "might"—note the word "might"—not "should" agree for a limited number of years to continue to permit the ships of the one to engage in the coasting trade of the other, and that no one part should give to foreign shipping more favourable treatment than to the ships of the other parts of the British commonwealth.

The committee also recommends agreements to the effect that the law of each member of the British commonwealth, in which a ship is registered, should apply to the ship and its crew in respect of all matters of internal discipline, and to all contracts with the crew; that certificates of competency granted to officers of ships by one dominion, or one part of the British commonwealth, should be recognized as valid in all other dominions or parts of the commonwealth; that the principles governing the constitution and procedure of courts for the investigation of casualties to ships should be uniform; and that the investigation should be held in that dominion or part, in which the ship is registered, no matter when the casualty takes place, if its governmental authority so desires. The committee also recommends reciprocal arrangements for the relief of distressed seamen, for the mutual enforcement of the law of the dominion or part in which the ship is registered, in respect of offences committed on such registered ships; but it fails to suggest any definite provisions to effect those ends.

It gives as an excuse for its utter inaction that:

> The position which obtains at present is only possible because the system of law which is applied is a unitary system, and, when that system comes to an end, a solution of the difficulties which arise will have to be sought in other directions.

Why not seek them now? Why did not the committee when in London sit down and draft at least a tentative agreement between the governments of the several dominions and Great Britain whereby these common interests would be hereafter conserved, leaving to each dominion in local matters to give legislative expression to its autonomy? This puerile pronouncement naively suggests that, when the legislation, which is now proposed, is enacted by the imperial parliament, even in respect to those all important matters in which all parts of the British commonwealth have common interests, the existing unitary system will be

completely destroyed, and moreover the committee confess their incompetence to suggest, at the present time, the terms of any convention or agreement whereby in the future concerted action of the United Kingdom and of the dominions may be ensured.

The committee recommend that each dominion should have power to repeal the Colonial Courts of Admiralty Act, 1890, which ensures uniformity of jurisdiction and procedure in all essentials in admiralty cases, and then expresses the pious thought:

> We think it highly desirable to emphasize that so far as is possible there should be uniform jurisdiction and procedure in all admiralty courts in the British commonwealth of nations subject, of course, to such variations as may be required in matters of purely local or domestic interest.

But they make no real effort to attain that most desirable end.

The committee have suggested that a new tribunal be established for the determination of justiciable disputes and differences between members of the British commonwealth. The hon. member for Laprairie-Napierville (Mr. Lanctot), in seconding the reply to the Address of His Excellency the Governor General, urged that such interimperial questions might well be submitted to the permanent court of international justice. The Minister of Justice did not dissent from that view. The hon. member for Labelle (Mr. Bourassa) urged also that such matters should not come under the jurisdiction of the Judicial Committee of the Privy Council but rather be relegated to some international body of jurists akin to the Hague tribual.

I personally entirely concur in the recent action of this government and of the governments of the United Kingdom and of the other dominions, when giving their adhesion to the Permanent Court of International Justice, in excepting from it jurisdiction disputes arising between themselves.

The governments and legislatures of the several provinces of Canada may be said in one sense to be sovereign within their respective jurisdictions; yet I conceive it would be destructive to all sense of dominion unity, if interprovincial and interdominion disputes were relegated to the decision of an international tribunal; and I trust the day is far distant when the British dominions will enter into a convention or agreement to submit such differences as may arise between them to any court external to the empire, and thus to permit rival foreign powers to determine what hereafter shall be the political relations of these dominions to one another.

[Mr. Cahan.]

The Judicial Committee of the Privy Council has already arbitrated, by agreement, between two dominions in the Labrador boundary case, between two provinces of Canada in another case, between two Australian states in another, and also between the government of the United Kingdom and the government of Northern Ireland, and for the present it appears to me that the governments of the dominions might well consider the advisability of agreeing to vest in that same judicial committee, reconstructed as it may be for the proper exercise of such jurisdiction, the right to arbitrate justiciable disputes hereafter arising between the several dominions of the commonwealth.

There is a wide range of matters of paramount interest to all parts of the British Empire, and in respect of these interests, which are common to all the parts, unity of action and uniformity of legislation can be secured only by coordinated enactments of the imperial and of the dominion parliaments, or by the negotiation of new conventions or agreements between all the parts of the British commonwealth. The committee have resolved that such unity of action and uniformity of legislation shall no longer be secured by imperial enactments; but it is clear to me that the abrogation of the legislative supremacy of the parliament of the United Kingdom will be conducive to harmonious and concerted action, if at all, only when the United Kingdom and the several dominions shall have previously agreed upon certain definite coordinated enactments or upon a series of constitutional and interimperial conventions or agreements, which shall clearly determine their future political relations inter se.

And here I may interject the opinion that the repeal of the Colonial Laws Validity Act and the argument of the Minister of Justice do not necessarily involve the complete renunciation of the paramount authority of the parliament of the United Kingdom to exist as a sovereign legislature, with legislative jurisdiction in matters of common imperial concern; and that the committee are undoubtely mistaken in their assumption to the contrary.

They are undoubtedly mistaken, and from certain parts of their report it is evident that they do not assume that the paramount legislative authority of the imperial parliament or the parliament of the United Kingdom is to be completely abrogated; for, at least, the Colonial Laws Validity Act is to be kept in full force and effect with regard to the legislation of the several provinces of Canada.

Mr. BENNETT: That is a common law principle.

Mr. CAHAN: Quite so. The fact that the peoples of all of the dominions are admittedly united in a common allegiance to the British throne implies that common interests undoubtedly exist, not only in relation to their external affairs with foreign countries, but also in respect to their interimperial relations; and within those two areas, however restricted they may be deemed to be, some means must be devised for preserving and facilitating their unity of legislative action.

The committee have in some respects gone far beyond and in others fallen far short of the reasonable implications of the resolutions of the Imperial conference of 1926. Am I mistaken in the suggestion that the absence of the restraining influence of the Prime Minister at this recent subconference enabled the Minister of Justice, who was present and one of its guiding spirits, to give free and full expression to certain separatist tendencies in respect of which the members of the government are not quite unanimous?

"Equality of status" among autonomous communities, in the mind of Lord Balfour, who drafted the resolutions of 1926, meant nothing more than the absence of the exercise of power or authority by one community over the other or others of them. To use Lord Balfour's felicitous phrase, they were—

> In no way subordinate one to another in any aspect of their domestic or external affairs.

Or, in the words of Sir Cecil Hurst, who was one of the legal advisers of that conference, and who now sits as British representative on the Permanent Court of International Justice:

> This equality of status is not inconsistent with the continued existence of legal rights now vested in the parliament of Great Britain, or in the ministers of the crown in Great Britain, which are not vested in dominion parliaments or ministers, provided that those rights are only exercised in respect of any dominion, in accordance with the wishes of the parliament or the people or the government of the dominion concerned.

It is this recognized principle that forms the basis of our existing imperial citizenship.

The status of a British subject throughout the empire and in all foreign countries depends now upon the legislation of the parliament of the United Kingdom, and it is now a matter of understanding between the governments of the United Kingdom and of the dominions that no change shall be made in this legislation, except after a new agreement, to which they shall all be parties, to substitute new amending legislation for the existing statutes. That is the principle which should now govern proposed amendments to the Merchant Shipping Act. Uniformity in legislation affecting British shipping is of vital concern to all parts of the empire, and uniformity in the shipping laws of the empire can be preserved only by formal agreement between all autonomous parts of the empire to the effect that, before any repeal of existing legislation shall be effected, amending laws, which are to be substituted for the existing laws, shall first be devised and accepted by all of the dominions. That principle, which should be deemed imperishable if the political unity of the empire is to be preserved and maintained, is utterly disregarded in the recent report, to which the Minister of Justice is a signatory on behalf of Canada.

The report, in which the Minister of Justice concurs, advocates that power be vested in each dominion parliament to repeal in whole or in part the existing Merchant Shipping Acts. Each dominion is to act on its own initiative. The alternative, which I respectfully suggest, is that the existing merchant shipping acts should stand, until by concerted action the dominions have agreed in specific terms upon the new laws which are to be substituted therefor, so as to preserve uniformity of legislation in respect of all shipping interests which are of common concern, and so as to preclude any dominion from such premature and ill-considered action as may trench upon and destroy or prejudicially affect or discriminate against the substantial shipping interests of any other dominion.

In closing, I most insistently urge that parliamentary approval of these proposed radical and far-reaching constitutional changes should not be pressed during these closing days of this short and rather turbulent session, and if approved should not be deemed to represent the matured views of the very large shipping interests of Canada and should not be pressed as representing the considered opinions of the several provinces of Canada. The provinces should have been consulted in respect of the proposed increase of federal powers and the proposed extension of the federal legislative jurisdiction, which are embodied in this report, and in which are involved the power of this parliament to repeal imperial enactments.

Mr. ILSLEY: It does not involve power to repeal the British North America Act.

Mr. CAHAN: Possibly it does not; I have discussed that point and have given my opinion with regard to it. I think that is very much in doubt, but it does expressly vest in the dominion parliaments the right to repeal a large number of acts of the parliament of the

United Kingdom which form the very basis of civil rights in each and every province of Canada, and I defy anyone successfully to contradict that statement.

Mr. THORSON: May I ask one question?

Mr. CAHAN: My hon. friend can reply later on; he will have plenty of time then. The provinces have a right to be heard in respect of all proposed constitutional changes which concern their relations with the British crown, their relations with the government and parliament of this Dominion, the proposed extension of federal legislative jurisdiction, and the extent to which provincial legislation should hereafter have extraterritorial effect. It is certainly inexpedient and probably futile, in my opinion, to proceed further without the express approval of the several provinces and, therefore, before this parliament authorizes these constitutional changes, in my opinion, an interprovincial conference should be convened in Canada to consider their full effect, and to procure concerted action in relation thereto.

In the matter of the merchant shipping legislation, I think that the procedure proposed in this report will inevitably involve the dominions in serious difficulties and interminable disputes. Within certain limits, there should be uniform merchant shipping legislation for the whole empire, dealing with British shipping interests in general, and the sphere of independent dominion legislative action should be strictly defined by common agreement. To destroy by one sweeping blow the existing code of marine and shipping law, without any prior constructive effort to reach an agreement as to what elements of the existing system should be conserved in the best interest of all the constituent parts of the empire, appears to me futile and foolish.

We established a precedent in 1914 by framing and adopting the British Nationality and Status of Alien Acts, the terms of which were agreed upon by the representatives of the governments of the United Kingdom and of the dominions and then confirmed by imperial enactment as well as by the several dominion legislatures. That precedent might well be followed in the reform of the Merchant Shipping Acts.

The representatives of the several governments, which meet at the Imperial conference, before the enactment of the proposed amendments to our dominion constitutions, should sit in conference and, after hearing the expert evidence and representations of all British shipping interests in the dominions and elsewhere, should reach a common agreement with respect to the provisions of the new shipping law, which should have general application throughout the empire. The tentative provisions, so agreed upon, then should be embodied in coordinated enactments of the parliaments of the United Kingdom and of the dominions, under the clear understanding, as in the case of the Naturalization Acts, that they should not hereafter be amended except by common consent.

These constructive efforts should be fully achieved, and the enactment of these new conventions and agreements should be simultaneous with the repeal of the existing statutes. To proceed otherwise is as foolish as to dig up a mighty oak tree by the roots, in order that a few of its upper limbs may be pruned of their superfluous and mouldering branches.

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I wish first of all to congratulate the Minister of Justice (Mr. Lapointe) upon his very able presentation this afternoon. He has given the house and the country a comprehensive and indeed an eloquent account of the proceedings of the conference on the operation of dominion legislation and merchant shipping legislation which sat in London during the closing months of 1929. I also wish to compliment the hon. member for St. Lawrence-St. George (Mr. Cahan) upon the very exhaustive criticism of the report and of the minister's speech to which we have just listened.

I must say, Mr. Speaker, that I cannot agree with the hon. member for St. Lawrence-St. George in many of the remarks which he made and in many of the arguments which he advanced. He has denounced the draftsmanship of the report as clumsy; he has said that the language is prolix; he has termed the efforts of the conference as feeble and infantile and half-baked. I cannot agree with him in the application of those adjectives to the report of the committee. My reading of the report left me with the impression that it was expressed in very concise and very apposite language, and that it accomplished a great work which was in accordance with the findings of the Imperial conference of 1926, that conference the report of which was drafted by the very ablest statesmen of the British Empire. I could apply laudatory adjectives, I suppose, to the report, but after all it does not make very much difference whether a member of this house uses uncomplimentary or complimentary adjectives; the people of the country will decide for themselves whether they approve of the step that has been taken and will express their view as to whether they consider it to be a forward step.

My criticism of the hon. member for St. Lawrence-St. George is this: His attitude is

decidedly reactionary. I do not want to be thought to be using the language of party politics when I say that his attitude is conservative, the attitude of the person who opposes change, who talks about the many hundreds of years that it takes to build up institutions and the danger of shattering those institutions at a single blow. His criticism of this report is essentially that it is new. He says that the association of nations which constitute the British commonwealth of nations is not like anything that exists; it is not like the League of Nations; it is not a legal person; it is not a state. I admit that it is different from anything else which exists. It is a new form of association of nations but I am thankful to say that there are people in this country as well as in other countries who are not afraid to try something new.

A few of the arguments advanced by the hon. member for St. Lawrence-St. George I desire to answer very briefly, and then I should like to advance arguments of my own on the other side of the question. The hon. member pointed out that there were 115 imperial statutes which apply, either by express words or necessary intendment, to Canada. The hon. gentleman would almost lead us to believe that if we carried out this report we would be repealing the whole 115 statutes at one fell swoop. That is not the intention of the report at all; we are taking simply the power to repeal or amend those acts so far as they extend to the Dominion of Canada. However, it is one thing to take power and another thing to exercise that power. Unless we possess that power it would be idle to talk about equality of status between this country and the motherland. But it is unnecessary for us to exercise that power if the retention of those acts upon the statute books of the mother country would be of advantage to this Dominion or to the British Empire as a whole.

The hon. member stated that the extension of extraterritorial powers to the Dominion of Canada would give the Dominion the power to encroach upon the powers of the provinces. When the proposed imperial act, which would give us the power to pass legislation having extraterritorial effect, is considered it will be seen that the Dominion of Canada receives no power as far as the provinces are concerned which is not given to it by section 91 of the British North America Act. The very provisions of the proposed act itself and the whole spirit and intent of the report make it abundantly clear that the British North America Act will be in no way affected by the legislation which it is recommended should be passed in pursuance of the report. I think the hon. gentleman was compelled towards the end of his speech to admit that the British North America Act was not affected, and that the powers of the legislatures of the provinces were not being encroached upon. The hon. member stated that we should call together the provinces and find out whether they wish to have the same power given to their legislatures, that is, the power to enact legislation conflicting with imperial legislation. Possibly that is a good suggestion, but the old saying that Rome was not built in a day applies to it. This matter is not a vital one, and there will be plenty of time to take that step. If the provinces wish the repeal of the Colonial Laws Validity Act of 1865 so far as they are concerned, so that they will be enabled to pass legislation which conflicts with the legislation passed by the imperial parliament, there will be plenty of time to work that out. This report does not propose to deal finally with everything at this moment, but it is a considerable step forward in doing what was started in 1926.

In dealing with the merchant shipping legislation, the hon. member seemed to think that we were about to wipe out—these are the words he used—the legislation upon the statute books of Great Britain. I think I have replied already to that argument. A great deal of the legislation which affects Canada undoubtedly will remain for many years to come; we simply take the power to do away with the anomalies and absurdities which are inherent in the present system of merchant shipping legislation as applied to the Dominion of Canada.

An ordinary Canadian reading the British North America Act and seeing that by section 91 the Dominion of Canada is given exclusive power to legislate on shipping and navigation, immediately would come to the conclusion that we have the power to control our own shipping, that is, ships registered in Canada, and that we have the power to control and regulate the shipping in our territorial waters of foreign countries and other parts of the British commonwealth. However, such is not the case. The Colonial Laws Validity Act of 1865 provides that if the legislation of any British possession is repugnant to the provisions of any imperial act which applies to that possession, either by express words or by necessary intendment, the legislation of the possession in question is invalid, inoperative and void to the extent of such repugnancy. The merchant shipping acts of Great Britain extend back over a long period of years, but for our present pur-

poses it is sufficient to deal with the Merchant Shipping Act of 1894 and amending acts thereto. Much of our statute law affecting shipping is found in the statute books of Great Britain. We have passed the Canada Shipping Act and other acts relating to our shipping, but many of the provisions contained therein are repugnant to imperial legislation. It is true that so far as ships registered in Canada are concerned we have a limited power of repeal of imperial legislation but, as the Minister of Justice pointed out this afternoon, that repeal only can be exercised subject to the approval of His Majesty in council, and therefore is not an absolute power of repeal. We have the power to regulate our coasting trade, but there again any attempt made to legislate in connection with the regulation of our coasting trade is likely to be frustrated by the failure to obtain the approval of His Majesty in council. There are other limitations, such as the provisions that any law we pass must apply equally to ships of Canadian and other British registry. The assumption that we control our own shipping in our own territorial waters is unjustified.

The ordinary Canadian probably believes that if we do not control our own shipping, we at least control our own admiralty courts. It seems to me that we should have the right to establish our own admiralty courts, to control their jurisdiction, and to prescribe their practice and procedure. That seems to me to be a fundamental attribute of any country which possesses liberty and freedom. We appoint and pay our judges but we cannot say what powers those judges shall have. By the Colonial Courts of Admiralty Act, 1890, a British possession has the right to designate a court which when designated shall have the powers conferred upon it by that act. But that court has only the admiralty jurisdiction which was possessed by the High Court of Justice in Great Britain in 1890, and the British possession, whether it be a dominion or not, cannot increase that jurisdiction. It cannot, by the express terms of the act, make rules of practice or procedure nor can the court do so, except subject to the approval of the British government. So again the assumption that might be made that we have the power to control our own admiralty courts would be entirely unwarranted.

I hear someone say: this is likely wrong in principle, but has it any ill effects in practice? Some practical person would certainly take this objection: it is all very well to talk about matters of constitutional right and principle, but has the situation as it exists to-day any bad features, any features of injustice, inconvenience or absurdity? I think the answer to that query is that in the present system there are objectionable features which may be dealt with under three heads.

The first is in relation to admiralty courts. Admiralty courts are very important courts. The remedies in those courts are speedy and effective. The complainant, the plaintiff, when he desires to proceed against a person not resident within the jurisdiction, but whose ship is within the jurisdiction, may proceed against the ship. That is called a proceeding in rem. The ship is seized and, unless bail is furnished, held until judgment is given. In those admiralty courts actions are tried for necessaries supplied to ships, for repairs to ships, for damage for collision, in respect of salvage, in respect of disputes between co-owners, for the forfeiture of ships, and so forth. The point that I desire to place before the house in reference to our admiralty courts is that the jurisdiction conferred upon them by the Colonial Courts of Admiralty Act of 1890, a jurisdiction which we cannot increase, is not suited to the conditions of this country in two respects. The first is that, due to the fact that Canada is so much larger than Great Britain and a federated country instead of a unitary country, it should be possible for a complainant in one province to institute proceedings in rem against a ship the owner of which is domiciled in another province. That is impossible under our present system and we are powerless to change it. Probably I can put the matter most clearly before the house by reading an excerpt from an article on Canadian admiralty jurisdiction and Shipping Laws written by Mr. C. J. Burchell, K.C., of Halifax and published in the Law Quarterly Review of July, 1929. This is what he says:

> The Admiralty Court Acts of 1840 and 1861 constitute the foundation stones on which the modern jurisdiction of the Admiralty Court in England has been established. These acts were passed for a country of small area, England and Wales, but under the Colonial Courts of Admiralty Act they apply to Canada by substituting "Canada" for "England and Wales" wherever used therein. New statutory jurisdiction was added to the High Court of Admiralty in England by these two acts, but such added jurisdiction does not apply in England so as to authorize an action in rem against a ship when an owner or part owner is domiciled in England and Wales. The plaintiff in such case is left to his recourse in the courts of common law. This may be satisfactory legislation for England where the king's writ in his common law courts extends throughout the realm, but it is entirely unsatisfactory for a large country like Canada, where each province has its own separate and independent courts of common law.

The existing situation in Canada is that an action in rem under the statutory jurisdiction of an admiralty court cannot be commenced therein if an owner or part owner of the ship is domiciled anywhere in Canada, even although he may be four thousand miles away, and recovery of a claim by execution against him cannot be obtained except by action in the common law courts of the province in which he resides. An action in another province is just as expensive and difficult as in a foreign country. It is submitted that Canada should have the right to enact that all such actions should be commenced in an admiralty court, except in a case where an owner or part owner is domiciled within the province or admiralty district of the court in which the action is brought. Home rule in matters of this kind is necessary and only applies to our own people, so that no outside objection would be made.

That is one respect in which the jurisdiction of our admiralty courts is unsatisfactory at the present time. The other respect is this: we have not kept pace with the times in Canada. The Minister of Justice mentioned that. He showed that in the United Kingdom the jurisdiction of the admiralty courts had been increased. In particular they are now enabled to deal with stevedoring contracts, breaches of charter party and damages for breach of contract for carriage of goods by sea. The jurisdiction has been increased by enactments of the United Kingdom, but these have not been extended to the dominions and the dominions are powerless to extend the jurisdiction of their admiralty courts. The result is that a complainant in our courts does not get the same remedy—one might almost say he does not get the same degree of justice, but I shall not say that—that he gets in the courts of the old country, and he is thereby put to considerable inconvenience.

But jurisdictional troubles are not the only objectionable features of the present system. A feature equally bad, if not worse, is that we are now wandering in a labyrinth of legislation which is either ultra vires or of doubtful validity. I said a few moments ago that the Canada Shipping Act contains a great many ultra vires sections. It contains other sections which are of doubtful validity, sections which either are or may be bad law. That results in uncertainty, confusion and, of course, great inconvenience. I might cite a few. Section 903 of the Canadian Shipping Act, dealing with limitation of liability, is ultra vires in so far as it applies to British ships and foreign ships in Canadian waters. Section 901, prescribing regulations preventing collisions, is ultra vires in so far as it applies to British and foreign ships in Canadian waters. When I use the term "British ships", I mean British ships of non-Canadian registry. Part XV is also invalid because it was reserved for the approval of His Majesty in Council and that approval was never given. The result is that we have one whole part of the Canada Shipping Act dealing with a very important matter, that of deck and load-lines simply cluttering up our statute books and of no validity because it has not been approved by His Majesty in Council.

Mr. E. R. Cameron, K.C., Registrar of the Exchequer Court of Canada, wrote an article published in the Canadian Bar Review some time ago and the opening words are these:

> Summarizing the results obtained by a comparison of the provisions of the imperial Merchant Shipping Act and the Canada Shipping Act, it is found that the Canada Shipping Act as now contained in the revised statutes of Canada, 1927, contains many sections that are void and of no effect.

He goes on to give the reasons, the reasons I have given:

> The conflict above mentioned between Canadian and Imperial legislation has mainly arisen from an attempt on the part of the former to control, to some extent, British ships of British registry and foreign ships while in Canadian waters. This conflict has not arisen through any desire on the part of Canada to encroach upon the rights reserved by the Merchant Shipping Act, but rather through a hazy conception of the right accorded her by the British North America Act, which, in the distribution of powers between the Dominion and the provinces, gave to the former jurisdiction over navigation and shipping.

There is a third class of objectionable features in our present system of shipping legislation. We find it difficult and in many cases impossible to carry out international agreements into which we may enter with other countries. Somebody has pointed out that in relation to merchant shipping at the present day, there are two distinct and marked tendencies in the world. One is a tendency towards nationalism. Each nation is trying to stimulate its own shipping, in many cases with subsidies, in other cases with tariffs, or by some kind of differentiation between the treatment it accords to its own ships and to the ships of other countries. The other tendency is towards international uniformity in safety standards, and in maritime law in relation to mortgages and liens and other matters of merchant shipping, uniformity which is arrived at by international agreements at international conferences. Several of these conferences have been held, and Canada has attended them. Then Canada's representatives have come home to secure the passage of legislation carrying out what was agreed upon at the conference; but they have

found the field preempted by imperial legislation. The imperial legislation that has been passed since 1910 has exempted the dominions from its operation. The problem was well summed up in the report of the conference, and I should like to read a few sentences to the house:

> What, therefore, the parliament of such a dominion as Canada or Australia is required to do since the year 1911, is by means of its own legislation, to endeavour to work into the existing shipping legislation of the parliament of the United Kingdom, applicable to such a dominion, certain modifications and additions embodied in international conventions to which the dominion may be a party, of which may otherwise be desired. This it must do, avoiding repugnancy to any legislation of the parliament of the United Kingdom, and avoiding also the field of legislation into which the parliament of a dominion cannot enter by reason of restrictive provisions in the Merchant Shipping Act, 1894, and in such acts as the Colonial Courts of Admiralty Act, 1890. This in some cases may be impossible. For instance, the Brussels International Maritime Conference of 1826 agreed upon certain rules of law relating to maritime mortgages and liens, and other rules relating to the limitations of the liability of owners of sea-going vessels. If a dominion parliament desired to confer upon its courts jurisdiction and authority to enforce these rules of law, it might find it impossible to enact legislation fully implementing the conference agreement in respect of foreign ships or ships registered outside the dominion, as these fields of jurisdiction appear to be partially, if not wholly, reserved for the parliament of the United Kingdom. In respect of mortgages and liens there may even be difficulty for the same reason in regard to ships registered in the dominion itself.

These are some of the principal objections to the system of merchant shipping legislation as it exists at the present time. It is all very well for the hon. member for St. Lawrence-St. George to point out the dangers that may exist in the future if we adopt this report, but it must not be lost sight of that the situation which exists to-day is very, very bad, and it is worth taking some little risk to get rid of the present objectionable features.

What are the remedies for the evils described in the report?

(1) That the Colonial Laws Validity Act of 1865 be repealed in so far as it applies to any dominion. This will enable Canada to pass valid shipping laws, instead of those which are invalid because they conflict with acts of the imperial parliament.

(2) That each dominion shall have the right to repeal imperial legislation extending to the dominion. This will enable us to go through the Merchant Shipping Act of 1894, and amending acts, and the Colonial Courts of Admiralty Act of 1890, and repeal those sections that are not suited to our conditions.

[Mr. Ilsley.]

There are many sections which for the sake of ensuring uniformity in this country and the United Kingdom we may wish to leave there, at least for the time being; but there are other provisions which we shall probably wish to repeal at once, replacing them with enactments of our own.

(3) That each dominion shall have power to make laws having extra-territorial operation. That has been dealt with.

(4) That each dominion shall have full control over its own ships both extraterritorially and intraterritorially, and also full jurisdiction over all ships British or foreign which come into its harbours or territorial waters.

(5) That each dominion shall have full control over its own admiralty courts.

If these recommendations are put into effect, most of our present troubles with shipping legislation will disappear. It will be said that the new plan has some disadvantages. The hon. member for St. Lawrence-St. George himself pointed out, however, that equality of status is not inconsistent with differentiation in function, and it may be advisable for many years to come to permit the imperial parliament to retain on its statute books legislation which applies to all the dominions, for the sake of preserving uniformity. The important point is that in all these respects in which repeal of that legislation and the passage of new legislation by ourselves should take place, it can take place. It does not follow that the present system must be entirely scrapped. We can retain the good and discard the bad, and do this all in a manner compatible with complete political equality between this country and Great Britain.

In conclusion, I want to say a few words about the broader aspects of the situation brought about by the Imperial conference of 1926 and the conference of 1929. After the war, Great Britain and her dominions were in their constitutional development confronted with three alternatives. They might remain as they were, stand still, preserve the status quo. Or they might move towards closer organic union along the lines laid out by Sir George Parkin in the early nineties, in his book on imperial federation. Or they might do as they have in fact done, establish perfect political equality between one another, while preserving the crown as the sole or main visible connecting link between them. The more the first two alternatives are considered, the more unwise, the more impracticable they appear. No one would argue to-day that either of these alternatives should be adopted or should have been adopted at the close of

the war. Had either been adopted there are many people who believe, and I agree with them, that in all probability the British commonwealth of nations would not have held together. Believing as we do in the preservation of the British commonwealth of nations, we should have regarded such an eventuality as a misfortune to ourselves and a misfortune to the world. Happily, however, statesmanship found another way, a way that has led to these recommendations and to this resolution. What, after all, is the tie which binds the empire together? It is only the common sovereignty of the king? Or is it not also, as Professor Zimmern says, a common outlook upon public affairs, a common political philosophy, a common idealistic tradition? This outlook, this philosophy and this tradition have been and are based upon a deep love of liberty. It is because the recommendations which this resolution sanctions recognize the aspirations of the various parts of the British commonwealth of nations towards liberty, and reconcile these aspirations with some degree of organic unity, that they are highly worthy of support. Indeed, the work of the Imperial conference of 1926 and of the conference of 1929 on the operation of dominion legislation and merchant shipping legislation is a striking and notable proof of the political capacity, the genius for statesmanship, of the peoples of the British commonwealth of nations, and as such merits the approval of this house.

At six o'clock the house took recess.

## After Recess

The house resumed at eight o'clock.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I should like to congratulate the Minister of Justice (Mr. Lapointe) on his part in the preparation of this report. I have often had to differ from the hon. gentleman; therefore it gives me great pleasure to be able to commend his work in matters regarding dominion status. In a recent editorial on the pages of the Ottawa Citizen I was reproved because I had given very little credit to the Liberal government. Let me say at this time that while the Liberal government cannot boast of any great accomplishments in the matter of domestic policy, especially as regards labour, I do feel that it has done good work from the standpoint of international relations. Perhaps the viewpoint of labour should not remain unexpressed in connection with this matter, especially since there is a labour administration in Great Britain.

This subject is of a highly technical and legal nature. The report deals with many matters concerning which I frankly admit I am not competent to speak. It does however relate to a question of great public importance in regard to which everyone should entertain a more or less definite opinion. It seems to me the report is a clear-cut dominion document; in it there are no modifying phrases such as "within the empire." The member for St. Lawrence-St. George (Mr. Cahan) regrets that the restraining opinion of the Prime Minister (Mr. Mackenzie King) had not, owing to his absence, been exercised upon the Minister of Justice. I wish only that there had been an absence of the restraining sense of provincial rights; there it seems to me is one of the weaknesses of the report.

The member for St. Lawrence-St. George emphasizes the unity of empire. I am sure when we come to consider the matter we must agree that any unity must be founded on a living spiritual union rather than on musty legal documents. If legal bonds are necessary I submit that there is the same reason for such ties among the members of the League of Nations. After all we cannot stop at the small nation stage; we must go to the larger national unity. We cannot stop at the nation, we must go to the empire; we cannot stop at the empire, we must go to the world organization. To my mind the necessities of the case must ultimately drive us to the setting up of constitutional machinery for international relations. I do not intend to go into this phase of the matter at greater length. The member for Hants-Kings (Mr. Ilsley) gave us a very excellent quotation on this point from the words of Professor Zimmern. The quarrel of the hon. member for St. Lawrence-St. George is not with this report but rather with that which preceded it, the report of 1926.

There are definite points to which I might call the attention of members of the house. Provision is made for the succession to the throne, yet there is no provision whatever for the appointment of the governor general. It seems to me that when we were considering the heir to the throne we might very well have given some consideration to the appointment of the Governor General of the Dominion. If it is in perfect keeping with the spirit of the conference of 1926 that the appointment of the Governor General of the Dominion should be left to Canada; indeed, I should like to go further and suggest that the time is very soon coming when the Governor General of Canada should be a Canadian. Action along this line already has been

taken by Australia, I understand, and now that we have here our own representative of the government of Great Britain, who is able to perform a very important function, I cannot see why, if the King of England is our King, we should not have a governor general who is in a peculiar sense our own representative.

Mr. POULIOT: May I ask a question? Does the hon. gentleman believe that it would be proper to have the Chief Justice of Canada as governor general and that the chief justice of each province should be lieutenant-governor de facto?

Mr. WOODSWORTH: It seems to me that is an admirable suggestion and I do not see why it should not be carried out. It would save a great deal of unnecessary expense, and perhaps might avoid the setting up in this country of certain class distinctions that are not in harmony with the democratic traditions of newer countries.

I regret further that no provisions is made for Canada amending her own constitution. On page 29, article 66 of the report, we have the statement put very clearly:

> Nothing in this act shall be deemed to confer any power to repeal or alter the constitution acts of the Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand, otherwise than in accordance with the law and constitutional usage and practice heretofore existing.

I wish, however, that occasion had been taken to make some provision for such alteration. I can understand that the minister may say he had no mandate, and perhaps that may be a justification.

We have provision in this report that in certain matters of legislation, Canada is not to be subordinated to Great Britain. On page 25 we find the following:

> No law and no provision of any law hereafter made by the parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future act of parliament or to any order, rule or regulation made thereunder, and the powers of the parliament of a dominion shall include the power to repeal or amend any such act, order, rule or regulation in so far as the same is part of the law of the dominion.

But let me point out that in these types of legislation the provinces are still subject to Great Britain. At page 31, section 71, I find the following:

> In the absence of special provision, provincial and state legislation will continue to be subject to the Colonial Laws Validity Act and to the legislative supremacy of the parliament of the United Kingdom, and it will be a matter for the proper authorities in Canada and in Australia to consider whether and to what extent it is desired that the principles to be embodied in the new act of the parliament of the United Kingdom should be applied to provincial and state legislation in the future.

Whilst the Minister of Justice may take the view that here again he had no mandate from Canada or from any province of Canada, a bolder policy would have given to the provinces in this regard the same rights that have been secured for the dominion. I often wonder when Canada will be mistress in her own house and when the provinces will find greater security in their fellow Canadians than they do in certain laws which are on the statute books of Great Britain.

I note in the daily press of May 21 that when this report was discussed the other day in the South African parliament an amendment was introduced affirming the right of South Africa to secede from the commonwealth. According to their view the recommendations of this report, to use the words of the news item, "must not be taken as derogating from the right of any member of the British commonwealth to withdraw therefrom." Their amendment was passed on the ground not that South Africa wished to secede but, again to use their own phrase, "in order to put the matter beyond a doubt." It seems to me that such a resolution is not necessary; indeed, I would suggest that it indicates what some modern psychologists have termed an inferiority complex. I take it that secession is an inalienable right of a free people, a sovereign nation. Fancy Great Britain debating the question of secession. If we are indeed as free as we are told we are under the present arrangement, then we ought not to have to discuss any matter of that kind. It will be recalled that the report of the Imperial conference of 1926 declared, in relation to the United Kingdom and the dominions, that they are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any respect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

Then again in this report there are the words:

> These principles of freedom, equality, and cooperation have slowly emerged from the experience of the self-governing communities now constituting that most remarkable and successful experiment in cooperation between free democracies which has ever been developed, the British commonwealth of nations. . . .

I take it that if our association is indeed that of cooperation, we must admit that we

are free to take our own course having regard to the best interests of our own country. That does not mean that in any sense we are false to the larger group with whom we are associated.

However, there is another matter which I should like to bring to the attention of the house. I have been troubled over since 1926 by the question as to what is our relation to the parts of the British Empire which are not separate members of the League of Nations, the various crown colonies and dependencies. I have wondered further as to our relationship to the parts of the empire which, shall I say, are not self-governing. I think of one nation that is outstanding, in a class by itself; that is India. The question of India is discussed in the report before us at page 13 and at page 50, and the whole matter is left in abeyance, left to the government of Great Britain and to the government of India. I hesitate at this time to discuss a matter so complicated as that of British administration in India; I am loath in any way to embarrass the Labour government of Great Britain. I am doubtful whether, under arrangements existing since the Imperial conference of 1926, Canada has any direct responsibilities; hence any advice from us might be regarded as gratuitous. Yet I recall that some years ago, even under our previous status, this parliament took a stand regarding the granting of a larger measure of self-government to Ireland, and I do not know why such a stand was not taken at the conference in regard to India. India is a member of the League of Nations; Canada is a member both of the assembly and of the council, and if as members of the British commonwealth of nations we have not the right to advise Great Britain as to her policies in India, then I take it that we have a right to speak in that regard because of our common relationships in the League of Nations. Article 11, of the treaty of peace provides:

> It is also declared to be the friendly right of each member of the league to bring to the attention of the assembly or of the council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

I confess that I have a profound respect for the ideals of Mr. Ghandi, even though I cannot endorse many of his methods. In the Times Book of India, which I have in my hand, there appears a full page picture of Lord Irwin in his viceregal robes. On the opposite page is a small insert of Mr. Ghandi, an insignificant squatting dark figure clad only in a loin cloth. Lord Irwin is of my own race, yet my sympathies are with Mr. Ghandi. In the future, Mr. Ghandi, in spite of what may seem to be fanatical eccentricities, may well be regarded as one of the greatest men of his age. Perhaps Lord Irwin will be remembered as having been the Viceroy of India during the time of Mr. Ghandi. It might be well for us to remember that Pilate, the representative of imperial Rome, is known to the world only because he was the governor who crucified an obscure Galilean, regarded then as now as a teacher of impractical and subversive doctrines.

Whether or not we have the right to speak because of our membership in the commonwealth of nations or because we are common members of the League of Nations, it seems to me that there is a common humanity and justice which transcends all national boundaries. I received the other day an appeal for self-government for India from some American leaders of thought, signed first of all by Mr. John Dewey, the veteran educationalist who has inspired so many. I will read one paragraph, as follows:

> It is no adequate answer to point to the obstacles in India to the establishment of a successful national government. They will not be overcome by foreign rule resting on bayonets. India has presented her case to the world against foreign government based solely on conquest, a government alien to her spirit and her desires, which despite the individual probity of its officials has exploited the Indian people and profoundly humiliated their spirit. Were the case for independence less strong it would still be true that no believer in democracy, no opponent of imperialism, no advocate of a fellowship of free peoples can accept the right of any British government to put down by force of arms the revolt of India's millions.

It may seem to be an insult for Americans to make an appeal of this character; yet it was only a few months ago that British leaders appealed against the American action in the Sacco-Vanzetti case, and in more recent times British leaders have appealed against the religious persecution which is said to be proceeding in Russia. I am loath to embarrass the British government by even mentioning this matter at this time, yet I am not at all sure that instead of embarrassing the government, outside opinion may help to strengthen the hand of the British Prime Minister. The views on India of the British Prime Minister were stated at the last League of Nations assembly. His address at that time included the following:

> Outside of Europe there is an old world, old in civilisation, old in philosophy, old in religion, old in culture, that hitherto had been weak in those material powers that have characterized the western peoples. But that old world, wrapped in slumber as we thought, has now be-

come awake, and is now beginning to understand that national self respect which is taught and tutored very largely by ourselves. It is bringing our own ideas home to us, borne by its hands, and is asking us to honour the effects of our own action and grant it, not by charity, but because our own hearts are enlightened by the freedom we have been nourishing and nurturing for ourselves for so many generations.

The great danger of war, then, is this—that we may be too long in performing this act of recognition; that we, by our delays, by our half-heartedness, by our lack of courage, may accumulate forces in the political life of those nations that will present to us not a request, but an ultimatum, that will make its request in such a way that if obstacles can be placed in the way of granting them, they will be placed in the way of granting them. Never ought we to put the great east into a position where it says, "Our only chance of becoming free from undertakings that are too old to be observed now is to tear them up in the faces of those with whom we made them." That is the danger of war between one side of the world and the other, and by meeting that problem in time we shall extend the realm of peaceful negotiation, resulting in the liberties of the peoples of the earth. We will make allies instead of enemies when those peoples secure their freedom.

The statements of a certain section of British thought in this matter are very clearly put in a recent article which appeared in the Spectator, as follows:

The present government gave evidence of good intention by its decision to arrange a round table conference following upon publication of the report of the statutory commission. It is obvious, however, that Indian suspicion of British policy has not been allayed. . . One of the conditions of cooperation was what Mr. Ghandi calls "a change of heart" in the British government, to be signalised, in fact, by the round table conference being called to formulate a constitution on a dominion status basis. Did not Mr. Wedgwood Benn, in the House of Commons on December 18, refer to the "free and voluntary association of a great self-respecting nation in partnership with the British commonwealth for the promotion of the good of the world"? Mr. Ghandi and his friends, remembering no doubt that at party conferences the establishment of the Indian constitution on a permanent basis was accepted as the policy of a future Labour government, expected that Mr. Ramsay MacDonald's government would act up to its promises, blithely ignoring the fact that it is now a minority government. And then, Lord Irwin, in his speech at Devali, fearful of the storm at home, insisted on the "undoubted right" of the British parliament to take the ultimate decision. The moment was ill-chosen for a reinforcement of that very British mental outlook which seems to the Indians a permanent obstacle to their aspirations.

According to the Spectator, it would seem quite possible that Mr. MacDonald's hands are to some extent tied at this time.

I have not time to do more than merely refer to the unfortunate history of India. During our schooldays we used to read of the times of Clive and Warren Hastings. Hon. members will recall how Clive laid this great empire at the feet of the nation. Defending himself against general attack in the House of Commons, Clive pointed to what he had accomplished by his annexation. I quote:

"Let the house," he said, "figure to itself a country consisting of 15,000,000 inhabitants, a revenue of four millions sterling, and a trade in proportion.

By progressive steps, the company have become the sovereigns of that empire."

But Macaulay, speaking of those same times, said:

The servants of the company obtained, not for their employers, but for themselves, a monopoly of almost the whole internal trade. They forced the natives to buy dear and sell cheap. They insulted with impunity the tribunals, the police, and the fiscal authorities of the country. They covered with their protection a set of native dependents, who ranged through the provinces, spreading desolation and terror wherever they appeared. Every servant of a British factor was armed with all the power of his master, and his master was armed with all the power of the company. Enormous fortunes were thus accumulated at Calcutta, while thirty millions of human beings were reduced to the extremity of wretchedness.

That was the cost in human degradation and suffering of the establishment of that portion of the great British Empire. We have often said that British administration of India has been a great success. Again I should like to quote a few sentences from a prominent authority, Mr. J. A. Hobson. He says:

It is pretty clear that, so far as the consent of the governed in any active sense is a condition of success in government, the British Empire in India has not succeeded. We are deceived by Eastern acquiescence, and our deception may even be attended by grave catastrophe unless we understand the truth. Mr. Townsend, who has brought close thought to bear upon the conditions of our hold of India, writes thus:

"Personal liberty, religious liberty, equal justice, perfect security—these things the empire gives; but then are these so valued as to overcome the inherent and incurable dull distaste felt by the brown men to the white men who give them? I doubt it."

As we review the most unfortunate incidents in the history of India under British rule, from the great Indian mutiny to more recent events, such as those connected with General Dwyer at Amritzar in 1919, it seems as if the present situation is but a continuation of those regrettable occurrences. Only the other day, May 20, 1930, I read in the Winnipeg Free Press the following despatch from India:

More than 200 persons were injured in a massed advance on the Dharasana salt works to-day as Indian Surat police beat unarmed volunteers with lathis.

The police kicked and prodded the non-violence raiders who swarmed the depot.

I personally saw over 200 in a temporary hospital where they were carried on stretchers by volunteers.

One has not time to go into the question of the economic exploitation of India, but I should like to read from the New Leader, one of the recognized organs of the Independent Labour party of Great Britain, an interview which was secured recently with Mr. C. F. Andrews, who, by the way, addressed public meetings in this city about a year ago and whom a number of members of parliament had an opportunity then of meeting. This is what he said:

He warned me that, having just voyaged over the Atlantic, he had not followed the news for ten days, but one point he was prepared to stress was that Mahatma Gandhi, in beginning his passive resistance movement by civil disobedience with regard to the salt tax, had the "entire sympathy" of all Indian leaders, whether moderate or otherwise. They all were equally opposed to this form of taxation, which hit the extremely poor more severely than any other class.

An instance of how the British press earns the bitter derision of Indians was the smart remark of the Times correspondent the other day to the effect that, after all, the agitation was much ado about nothing, since the salt tax meant only 7d. or 8d. a year.

"It is just in this that the iniquity of the tax lies," Mr. Andrews explained. "According to the official historians—such as Sir William Hunter—there are no less than 40 millions of people in India on the verge of starvation. Their diet consists of one bare meal a day, and this is made up of rice with salt as a condiment."

This is why the government salt monopoly has long been looked upon by all thinking people, whether British or Indian, who know the conditions, as a serious blot upon the British administration.

Some years ago this salt tax was actually doubled, by the fiat of the viceroy, against the vote in the assembly of practically every Indian member of whatever party. They pointed out then that it would hit the poorest of the poor.

England made a mistake when she tried to coerce the American colonies, and we know the dire results of a tax on tea. England made a mistake, it seems to me in so long refusing self-government to Ireland.

Mr. BENNETT: I wonder if my hon friend would mind if I asked him a question? Does he think at the present moment, in view of the very serious situation and the difficulties being experienced in preserving law and order in India, it is desirable that observations of that kind should go abroad from this parliament?

Mr. WOODSWORTH: I have only a few remarks more to make. As I said, I was loath to do anything whatever to embarrass the British government, if my poor words here would indeed embarrass them, but it seems to me from what I have already quoted from Mr. Ramsay MacDonald that he is as anxious as I or anybody else to settle this question by peaceful means, and I am not at all sure that an expression of opinion in this house may not do something to strengthen the hands of those who are seeking to settle matters by pacific means.

I was going to say that Great Britain advanced the cause of the British Empire in granting self-government to South Africa. It seems to me, as has been shown by the Minister of Justice this afternoon, that Great Britain has made a decided advance at the last Imperial conference the report of which we are discussing to-night.

Great Britain cannot be said to be the divinely appointed policeman of the world, and the sooner we get out of our heads the idea that she is, the better. My viewpoint to-night is simply this: if we believe in self-government for ourselves, why not urge that there be self-government for other portions of the British Empire? May I say to the leader of the opposition (Mr. Bennett) that I think that is a reasonable attitude? He may say that India is not as capable of self-government as we are. Possibly not, but when I was a child I remember we were told that Ireland was not ready for self-government and it took a long time before Great Britain came to the decision that Ireland was ready. We have to-day a few Irishmen who claim they were ready all along. I would urge that just as we desire self-government for ourselves, the time has come when a great body of people such as those in India ought to be given an opportunity, even though they may not immediately succeed, of working out their own destiny.

Mr. J. T. THORSON (Winnipeg South Centre): Mr. Speaker, I warmly welcome the resolution so ably introduced this afternoon by the Minister of Justice (Mr. Lapointe) and for two reasons I hope it will receive the unanimous support of the house. In the first place, the adoption of the resolution will involve acceptance without reservation of the doctrine that Canada is entitled to equality of status with Great Britain and the other British nations in that free association which, for want of a better name, is called the British commonwealth of nations. In the second place, it will be a definite mandate from this house to our Canadian representatives at the next imperial conference, whoever they may be, that when they speak at that conference their

voice shall be that of Canadian autonomy over Canadian affairs, whether those affairs be external or domestic, and of free association of Canada with her equal sister British nations in that great league of British nations that has been established. Canada must at that conference play a role worthy of her place in the history of the British dominions, as the laboratory of constitutional experiment and the workshop of constitutional progress.

The Imperial conference of 1926 adopted a striking definition of the relationship of the dominions towards one another and towards Great Britain. I wish to repeat it here:

> They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown, and freely associated as members of the British commonwealth of nations.

Ever since that definition was framed there has been raging controversy as to its meaning, and many have directly challenged the accuracy and even the truth of the definition. There have been two distinct schools of thought, that of the legalist, who sees no change of legal machinery, and who denies that there has been any change of status; and that of the constitutionalist, who realizes that under the British system of government constitutional convention outgrows and replaces legal theory when the need for a change arises. The legalists trained in the atmosphere of the courts and steeped in legal precedents have stressed the purely legal argument. They point out that the Dominion of Canada owes its existence as a legal entity to the British North America Act, a statute passed by the parliament of Great Britain; that the British North America Act is the charter of Canada beyond which its legislatures, whether federal or provincial, cannot validly go, and that neither the dominion nor the provinces can amend its provisions. They argue also that Canada cannot validly give extra-territorial operation to its legislation. They contend that the status of Canada is that of a dependency, and they cap their argument by showing that all legislation passed by the parliament of Canada is subject to review and an unrestricted power of disallowance by the government of Great Britain and by advancing also the doctrine of the legislative sovereignty of the parliament of Great Britain over Canada. They point out as a legal fact that our legislation is subject to the restrictions of the Colonial Laws Validity Act, and that Canadian legislatures are powerless to pass valid legislation repugnant to any enactment of the parliament of Great Britain extending to Canada. Therefore, for example, Canada has no final control over her own shipping, nor over her own judicial system. The privy council has ruled that Canada cannot validly prohibit appeals to the privy council. In the face of these facts the legalists triumphantly proclaim: How can Canada be equal in status with Great Britain? The hon. leader of the opposition (Mr. Bennett) and his distinguished predecessor in that office, the hon. member for South Wellington (Mr. Guthrie) have been able and outstanding exponents of the point of view of the legalists. They even seem to gloat over the badges of legislative inferiority which have been pinned on Canada and her sister dominions. There is a great deal of force and much truth in the argument of the legalists; but they have not painted the complete picture. They have missed the spirit of the system of government under which we live. It has been left to our statesmen both in Great Britain and in the dominions assembled in solemn conference to catch the spirit of our constitutional position and embody it in the definition of equality of status to which I have just referred. They belong to the school of the constitutionalists, who realize that our constitution is a living thing capable of growth and expansion to meet the needs of changing conditions, and it is not confined to statutory enactments. They know that constitutional conventions are a vital part of our constitution and that these conventions have sanctions behind them at least as powerful as the sanctions of the law. Throughout the whole course of British constitutional development there has always been a distinction between legal theory and constitutional fact, between the legal power to act and the constitutional right to exercise that power. Frequently the legal forms are left unchanged and still remain on the statute books in theory, but the constitutional right to apply the forms has ceased in fact by reason of the development and crystalization of constitutional conventions and practice. In that distinction between legal power and constitutional right lies the vitality and capacity for growth of the British constitution. For example, the king has still the unrestricted legal power of veto, but he has not exercised that power for over two hundred years, and his constitutional right to exercise it no longer exists. Similarly, the government of Great Britain has still by virtue of section 56 of the British North America Act unrestricted legal power to disallow every single act of legislation that we may pass this session. But who will admit their constitutional right to exercise that legal power? What would happen, Mr. Speaker, if they sought to exer-

cise it? The power of disallowance has not been exercised for fifty-seven years, and by reason of the constitutional convention that has grown up that it should not be exercised, the constitutional right to exercise it is as dead as the royal veto. Similarly, other constitutional conventions have grown up with the result that the constitutional status of the dominions has changed, and the Imperial conference of 1926 accepted the doctrine of equality of status as a matter of constitutional right and reality, no matter what the legal status might be.

The Imperial conference of 1926 said that equality of status is the root principle governing the relations between the dominions and Great Britain, but it recognized very frankly that existing administrative legislative and judicial forms are not wholly in accord with the constitutional position defined by it, and recommended that steps should be taken by Great Britain and by the dominions with a view to overhauling and repairing our legal machinery, so that legal theory might be brought into conformity with constitutional fact. It was recognized that in the case of the relationship of the dominions towards one another and towards Great Britain constitutional development had so far outgrown legal theory that legal change was essential in order that a broad foundation of autonomy and equality might be laid for the new structure of the future.

The report which is now before this house is that of the conference which was appointed by Great Britain and the dominions to carry out the recommendations of the Imperial conference of 1926 and is the result of their deliberations.

Mr. BENNETT: Not to carry them out, but to determine what had to be done to carry them out.

Mr. THORSON: It deals with a great number of matters of complexity and importance, but I shall confine myself to those recommendations of the report which, when carried into effect will increase our autonomy over our own affairs, remove the badges of legislative inferiority that we now wear, and give us that full self-government and equality of status to which we are entitled as a matter of legal as well as constitutional right.

In the first place, the conference recognizes that the dominions should have the same right to give extraterritorial operation to its legislation as is possessed by Great Britain with respect to its own enactments. There has been great controversy whether this right is not already possessed by the dominions. I have held the view that this parliament does possess the power to give extraterritorial operation to its legislation in order that it might effectively and adequately act within its own sphere of jurisdiction, and that the decisions of the courts denying that power are based on wrong principles. But it is proposed to place this question beyond all dispute and to recognize the power without any reservations whatsoever by an enactment of the parliament of Great Britain to the following effect:

> It is hereby declared and enacted that the parliament of a dominion has full power to make laws having extraterritorial operation.

When that enactment is passed one of the badges of legislative inferiority will drop from our lapels, and it will not be open to our courts to declare that our legislation is invalid by reason of its being extraterritorial in its operation. We shall then have fuller control and greater autonomy over such matters as fisheries, taxation, shipping, air navigation, radio communication, marriage, criminal law, smuggling, immigration, deportation, and other matters involving extraterritoriality. Who can deny that these are all matters of self-government in which the Canadian people are vitally interested? Why then should our antonomy over them be any longer restricted?

Mr. BENNETT: May I ask the hon. gentleman how it would increase our legislative powers with respect to deportation and radio communication? The privy council has held that we have full power of deportation. How would it widen our legislative powers with respect to radio communication?

Mr. THORSON: That question I shall not deal with at the moment. When the recommendations of this report are implemented we shall have absolute equality of status with Great Britain in this respect, and I think this parliament may be trusted to pass reasonable legislation within the jurisdiction it possesses.

A great portion of the report deals with the Colonial Laws Validity Act of 1865. That act has had a curious history. When it was enacted it was described as "an act to remove doubts as to the validity of colonial laws," and its purpose undoubtedly was to extend the powers of self-government of colonial legislatures beyond the narrow limits which had been assigned to them by judicial decisions particularly in the courts of South Australia. But at the same time the act imposed restrictions upon the legislative powers of the dominions in that it rendered void all acts passed by the dominions to the extent of their repugnancy to legislation of the parliament of Great Britain

extending to the dominions. The parliament of Great Britain has in the past asserted and exercised its legislative sovereignty over the dominions, notwithstanding the various constitutional acts, such as the British North America Act, with all their implications of self-government, by extending its legislation to the dominions. Where it has done so it has abridged the right of self-government of the dominions affected and cut down their autonomy. The parliament of Great Britain has acted in this manner for the purpose of obtaining in respect of important legislation uniformity throughout the dominions. But it is recognized by the report that this procedure is no longer constitutionally appropriate in the case of the dominions in view of their constitutional equality of status with Great Britain. It is proposed therefore to repeal the Colonial Laws Validity Act in its application to laws made by the dominion parliaments, and to remove the restrictions upon their rights of self-government which were imposed by the operation of the act. It is proposed to accomplish this by an enactment of the parliament of Great Britain in the following terms:

(1) The Colonial Laws Validity Act, 1865, shall cease to apply to any law made by the parliament of a dominion.

(2) No law and no provision of any law hereafter made by the parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future act of parliament or to any order, rule or regulation made thereunder, and the powers of the parliament of a dominion shall include the power to repeal or amend any such act, order, rule or regulation in so far as the same is part of the law of the dominion.

When this legislation is enacted two other badges of Canadian legislative inferiority will disappear. This parliament will have full and complete control over Canadian shipping—a control which it does not possess to-day. It will of course be desirable to have uniformity as far as possible in the matter of shipping legislation, and the Canadian parliament can be trusted in that respect. But that uniformity will hereafter be the result of willing cooperation and concurrent legislation; it will no longer be imposed upon Canada by a parliament which is not responsible to the Canadian people.

The privy council has ruled in the case of Rex v. Nadan that the Canadian people cannot prohibit appeals to the privy council, even if they should wish to do so. That is a denial of self-government; for how can it be said that we have full self-government if the judicial function of government upon which we depend for the administration of justice, for the adjudication of our rights and the preservation of our liberties, is withheld from us, or we are restricted in the scope of its exercise? When this legislation is enacted it will be within the power of this parliament to abolish appeals to the privy council, at any rate in respect of all matters over which this parliament has jurisdiction. Whether this parliament should within its competence abolish appeals to the privy council is perhaps a matter of opinion, but surely there can be no question that Canada should have the right to abolish such appeals if, in the exercise of her free judgment she wishes to take such action. The abolition of appeals from Canadian courts to the judicial committee of the privy council is for the Canadian people to decide, and for no one else.

The report goes further, Mr. Speaker, than merely to recommend an increase of autonomy to the parliaments of the dominions, and to indicate the means whereby such an increase is to be brought about. The fundamental principle underlying the report is that of equality of status of all the British nations that are to be affected by the report, and the right of all of them to full self-government, complete autonomy over their own affairs, and freedom from external supervision or control. That autonomy cannot be effectively exercised, and the right of self-government is not complete, so long as the parliament of Great Britain asserts or exercises its legislative sovereignty over the dominions, otherwise than at their request and with their consent. The doctrine of the sovereignty of the parliament of Great Britain over the dominions is absolutely inconsistent with the conception of equality of status that has been accepted. It is recognized by the report that the parliament of Great Britain has no longer the constitutional right to exercise its legal powers of sovereignty over the dominions otherwise that at their request and with their consent. It is recommended—and this is the most important recommendation contained in the whole report—that the parliament of Great Britain shall renounce its sovereignty over the dominions in so far as it is within its power to make such a renunciation. That, Mr. Speaker, is the outstanding recommendation of the report, and the fundamental principle upon which the whole report is based. It is recommended that this renunciation of sovereignty should be embodied in a constitutional convention, and that the constitutional convention should be placed in the proceedings of the coming Imperial conference in these words:

It would be in accord with the established constitutional position of all members of the commonwealth in relation to one another that

no law hereafter made by the parliament of the United Kingdom shall extend to any dominion otherwise than at the request, and with the consent of that dominion;

It is further recommended that this constitutional convention itself should appear as a formal recital or preamble in the proposed enactment of the parliament of Great Britain, and in order that there might be no doubt about the matter it is recommended that this principle should also be expressed in the enacting portion of the proposed constitutional act in the following terms:

> Be it therefore declared and enacted that no act of parliament hereafter made shall extend or be deemed to extend to a dominion unless it is expressly declared therein that the dominion has requested and consented to the enactment thereof.

That, Mr. Speaker, is, in my opinion, the most effective renunciation of the doctrine of the legislative sovereignty of the parliament of Great Britain over the dominions that it would be possible for that parliament to make. When that renunciation takes place there will be a binding agreement of equality of status between Great Britain and the dominions and a pledge that the parliament of Great Britain will not exercise its legislative powers in respect of the dominions otherwise than at their request and with their consent. This will mark the constitutional end of the doctrine of the sovereignty of the parliament of Great Britain over the dominions and the termination of their colonial status as dependencies of Great Britain. When effect has been given to these recommendations, the constitutional right of the parliament of Great Britain to exercise its legislative powers over the dominions, otherwise than at their request and with their consent, will be dead. It will be as constitutionally dead as the royal veto power, and the power of disallowance. One more badge of legislative inferiority will fall to the ground.

Only one badge of legislative inferiority then remains in Canada, and it will depend upon Canada herself how long she will continue to wear it. The constitution of Canada, so far as it depends upon the British North America Act, is left untouched, and no power of amending that act is conferred. In fact it will be provided in the proposed constitutional act that Canada shall not be allowed to repeal or alter the British North America Act otherwise than in accordance with the law and constitutional usage and practice heretofore existing. It is not defined in the report what that constitutional usage and practice is. It will not be possible for Canada, in view of these provisions, to repeal those sections of the British North America Act which provide for the disallowance of Canadian legislation by the government of Great Britain and the reservation of bills for the signification of His Majesty's pleasure. It is recognized by the report however that these powers are constitutionally dead and that if the dominion parliament wishes to have the provisions relating to them deleted from the British North America Act, all that will be necessary will be to make the request, and the necessary machinery will be automatically set in motion.

It will be further provided in the proposed constitutional act that the dominion parliament will not be authorized to encroach upon the provincial field of jurisdiction. There is to be included in the proposed constitutional act the following clause:

> Nothing in this act shall be deemed to authorize the parliament of the Dominion of Canada or the parliament of the commonwealth of Australia to make laws on any matter at present within the authority of the provinces of Canada or the states of Australia, as the case may be, not being a matter within the authority of the parliaments or governments of the Dominion of Canada and the commonwealth of Australia, respectively.

The constitutional status of the provinces remains unchanged, and their legislative jurisdiction remains intact. The conference felt that it had no authority to speak for the provinces, and that the terms of reference did not extend to them. When effect is given to the recommendations of the report this parliament will have no more power to amend the British North America Act or to encroach upon the provincial field of jurisdiction than it has had heretofore. Certain curious anomalies will result in our federal system. While the dominion parliament will receive a very substantial increase of autonomy in its sphere of jurisdiction there will be no increase of autonomy to the provincial legislatures. The provinces will remain subject to the Colonial Laws Validity Act and the legislative sovereignty of the parliament of Great Britain. They will continue to be dependent political entities; they will continue to be restricted in their rights of self-government, even within their own spheres of jurisdiction. They will not possess that full autonomy over their own affairs which every self-governing body ought to have. For example, while it will be competent for the dominion parliament to abolish appeals to the privy council in respect of subject matters within its jurisdiction, it will not be competent for the provinces to prohibit such appeals, even in respect of those subject matters which are assigned to the

British North America Act to the exclusive jurisdiction of the provinces; for the Colonial Laws Validity Act steps in and prohibits them from so doing. The provinces will remain in their inferior legislative position until they take steps themselves to improve it. The report indicates however the solution of the problem when it points out that it will be a matter for the proper authorities in Canada to consider whether, and to what extent, it is desired that the principle to be embodied in the proposed constitutional act of the parliament of Great Britain should be applied in the future to provincial legislation. I cannot believe that the provinces of Canada will willingly continue in this status of legislative inferiority as compared with that of the dominion, when they fully appreciate the significance of these constitutional changes, and their own anomalous position in relation thereto. I agree with the suggestion that an interprovincial conference should again be called for the purpose of removing the absurd anomalies which now exist, and also for the purpose of working out a scheme for amending our constitution in a manner suited to our changing needs, and conducive to a national development of which all Canadians may be proud. The problem of devising machinery for amending our own constitution is a Canadian problem for the Canadian people to solve. Its solution will require mutual confidence of the provinces in one another and in the dominion. When we in Canada solve that problem the last badge of legislative inferiority can be taken down; it is within our own power to remove it. When we have agreed among ourselves as to our constitutional machinery for amending our constitution, the parliament of Great Britain will automatically give legal effect to our wishes, and in that respect it will be an automatic machine registering legal effect upon the wishes of the Canadian people.

In conclusion may I say that the growth of Canada towards national status and nationhood is both right and inevitable. Canada is no longer a dependency of Great Britain; she does not belong to the people of Great Britain; she belongs to the people of Canada. Canada is a nation; we are united—and are glad to be united—with the people of Great Britain in common allegiance to the one crown, but our union however is that of equality and free association. We are British subjects; we are proud of being British subjects, and we are British subjects just as are the people of Great Britain. Is there any reason why we should not enjoy self-government in Canada to as full an extent as the people of Great Britain do? Is there any reason why our autonomy over our own affairs should be any less that their autonomy over theirs? I can think of no such reason, nor can any Canadian who is proud of his country and anxious to promote its full development. The spirit of the British constitution belongs to us in Canada just as it belongs to the people of Great Britain, and we are joint heirs with the people of Great Britain to the great traditions of liberty upon which the British constitution is founded. What is the essence of the British constitution? Let me express it very simply. It is the right of all peoples who live under it to self-government and autonomy over their own affairs. It is because we value that right that we desire effect to be given to this resolution. I am not alarmed, Mr. Speaker, over the future of Canada, because I have faith in Canada and in the genius of the Canadian people to work out a destiny for her, worthy of her great potentialities. That destiny belongs to Canada, and the responsibility for it lies with the Canadian people. I am willing to leave it in their hands. The future of our relationships with our equal sister British nations rests now upon the broad foundations of autonomy and self-government. That foundation is the strongest and safest foundation for the superstructure of the future that the genius of British statemanship has ever been able to devise.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I do not intend to delay the house at any great length, but I feel that I should not let this opportunity pass without congratulating the Minister of Justice (Mr. Lapointe) on the splendid work he did personally on behalf of Canada at the Imperial conference of 1929. I also congratulate the last speaker (Mr. Thorson) on his concluding remarks, in which he very ably summed up the position in which we find ourselves to-day.

I am proud, Mr. Speaker, as an adopted son of this country, to stand in this parliament to-night and welcome with acclaim—and I think it will meet with unanimous approval—a report which definitely indicates the achievement on the part of Canada of the status of equality and freedom as a nation. With the change in the position of the Governor General, as determined in 1926, administrative control ceased; with the changes that are now proposed in the report which has been submitted to us, legislative control will cease. What then is left? There is left the union in the monarch, of which we are proud and with which we are satisfied.

Perhaps at this moment it may not be inappropriate very briefly to sum up in the words of the report itself the accomplishments of the committee. I am going to take the liberty of quoting from my notes in this regard. The report determined, by its resolutions, first the doctrine that it is the right of the government of each dominion to advise the crown in all matters relating to its own affairs, and that consequently it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's government in the United Kingdom in any matter appertaining to the affairs of a dominion against the views of the government of that dominion. Further:

It is hereby declared and enacted that the parliament of a dominion has full power to make laws having extraterritorial operation.

There is no inferiority there; it is complete equality, complete national status. Then the report proceeds:

The Colonial Laws Validity Act, 1865, shall cease to apply to any law made by the parliament of a dominion.

And further:

No law and no provision of any law hereafter made by the parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future act of parliament or to any order, rule or regulation made thereunder, and the powers of the parliament of a dominion shall include the power to repeal or amend any such act, order, rule or regulation in so far as the same is part of the law of the dominion.

And again:

It would be in accord with the established constitutional position of all members of the commonwealth in relation to one another that no law hereafter made by the parliament of the United Kingdom shall extend to any dominion otherwise than at the request and with the consent of that dominion.

Referring to the British Nationality Act, it is determined that it is fully recognized that his common status is in no way inconsistent with the recognition within and without the commonwealth of the distinct nationality possessed by the nationals of the individual states of the British commonwealth.

The new position will be that each dominion will, amongst its other powers, have full and complete legislative authority over all ships within its territorial waters or engaged in its coasting trade, also over its own registered ships both intraterritorially and extraterritorially. The existing situation of control in the United Kingdom of admiralty courts in the dominions is not in accord with the present constitutional status of the dominions, and the recommendation is that this should be remedied.

Our recommendation is that each dominion in which the Colonial Courts of Admiralty Act, 1890, is in force should have power to repeal that act.

The report goes on:

Our general conclusions on the operation of the Colonial Laws Validity Act, 1865, and reservation and disallowance are applicable to the Colonial Courts of Admiralty Act, 1890. As soon as the legislation necessary to give effect to these recommendations is passed, each dominion will be free to repeal if and when desired the Colonial Courts of Admiralty Act, 1890, in so far as that act relates to that dominion, and may then establish admiralty courts under its own laws.

I cannot for the life of me understand the mental attitude or the expressed attitude of the hon. member for St. Lawrence-St. George (Mr. Cahan) on this whole question, but perhaps I had better deal with that later. Then the report goes on to state that a statute ought to be passed declaring as follows:

Be it therefore declared and enacted that no act of parliament hereafter made shall extend or be deemed to extend to a dominion unless it is expressly declared therein that that dominion has requested and consented to the enactment thereof.

And further:

Without prejudice to the generality of the foregoing provisions of this act—

(1) Sections seven hundred and thirty-five and seven hundred and thirty-six of the Merchant shipping Act, 1894, shall be construed as though reference therein to the legislature of a British possession did not include reference to the parliament of a dominion.

(2) Section four of the Colonial Courts of Admiralty Act, 1890 (which requires certain laws to be reserved for the signification of His Majesty's pleasure or to contain a suspending clause), and so much of section seven of that act as requires the approval of His Majesty in council to any rules of court for regulating the practice and procedure of a colonial court of admiralty, shall cease to have effect in any dominion as from the commencement of this act.

If the above recommendations are adopted, acquisition by the parliaments of the dominions of full legislative powers will follow as a necessary consequence. These are the words of the report itself. It continues:

By the removal of all such restrictions upon the legislative powers of the parliaments of the dominions and the consequent and effective recognition of the equality of these parliaments with the parliament of the United Kingdom, the law will be brought into harmony with the root principle of equality governing the free association of the members of the British commonwealth of nations.

The recommendations submitted have been framed—

And will be adopted.

—with the object of carrying into full effect the equality of status established as the root principle governing the relations of the mem-

bers of the commonwealth, and indicating methods for maintaining and strengthening the practical system of free cooperation which is its instrument.

So without any question of qualification we have, by an agreement among ourselves, definitely created an equality of status and freedom in undertakings as between each other.

I stated a moment ago that I could not understand the position taken by the hon. member for St. Lawrence-St. George. That gentleman is a learned representative of the legal profession, and a constitutionalist of no mean standing. He painted this afternoon a picture of such disaster that even I quaked. According to him, the report was in itself destructive to the entire political unity of what he called the empire. It affected shipping, it destroyed the confidence of those great interests with whom he is well acquainted as to the future of the shipping relations of this country and the other dominions. At the same time he pointed out—this is the strange contradiction—that whilst the report was tremendously disastrous and full of dangerous possibilities, it was at the same time infantile and futile. I could not for the life of me understand the attitude of the hon. member who is so learned in matters of this character. If I were not a very young and modest member of this house, if I were not a layman and therefore possessing no aspirations to the learning attributed quite properly to the legal profession, if I were a constitutionalist and not a humble student, I might have the temerity to refer to the remarks of the hon. gentleman in the words used by Lloyd George on a somewhat similar occasion. At that time Lloyd George was referring to some remarks made by Lord Roseberry, and I make this impression without any offence. The remarks of the hon. gentleman seemed to be like one of those torpedoes used by the navy for practice purposes. It looks like a torpedo, it acts exactly like a torpedo, but just about the time you expect it is going to blow something to pieces, it comes to the surface and fizzles itself into extinction. The speech of the hon. gentleman was for all the world just like that. I anticipated an explosion; I anticipated that at least an amendment would be offered, but we find there is no amendment, no real opposition offered to the report. I must content myself with asserting that even the Conservative opposition in this house seems to be in accord with the general tenor of the report, and will, I venture to say, agree to the passage of the recommendations without calling for a vote. In so doing I think they are wise, they are acting as Canadians, they are expressing by their attitude the position taken by the hon. leader of the opposition (Mr. Bennett) in speaking on the budget this year when he said "Canada first."



Because of the Imperial conference, Canada's constitutional equality has rapidly materialized until there is left only something for the lawyers and parliament to finish. When that is done, it will be an accomplished fact. Canada will then be able to take her proper place in the world as a nation. We are on the threshold of that day, but what of the future? Canada must have a foreign policy. If we continue to leave to others the determination of our international relations then we have not accepted the responsibilities which go with our national status. In this connection two main points occur to me. The first is, the war relations between this country and the United Kingdom. The next is, our relations with European troubles.

In connection with the United Kingdom, I would like to ask these questions: Are we to declare our willingness to be guided by successive British governments? Are we to agree to all their projects? Are we to endorse whatever they do? Are we to involve ourselves by a blanket assent given possibly years before the event? Are we to place ourselves in that humiliating position, or are we to assert a purpose of self-direction governed by self-respect? Are we ourselves to be the determinators of our future in our relationships with other nations? Are we to express the desire and intention to think and to act for ourselves, "guided by our own interests"? I use once more the words of the leader of the opposition. It will be gratifying to most members of the house to know that in certain unmistakable and quite significant ways we have indicated ourselves as being in favour of this latter attitude, the self-regarding attitude. Not only that, but that has been done unanimously and unhesitatingly.

There have been four converging lines of action, now historic, which we have followed. One of the greatest Canadians of this generation, one of the men with whom I am proud to have lived, a man who when outside Canada discovered that his Canadianism blossomed as the rose on the prairie, a man who went away an imperialist and away became a Canadian, Sir Robert Borden, secured in

1919 the adoption of the practice of inserting in British treaties a clause which provided as follows:

The present treaty shall impose no obligation upon any of the dominions of the British Empire, unless and until it is approved by the parliament of the dominion concerned.

The second converging line is this: The learned and always very genial Minister of Justice and his colleague (Mr. Mackenzie King) saw the adoption, as reported in the 1926 conference report on page 19, of an agreement that each of the six dominions would act as though they were, as indeed they have become, six kingdoms, making their own treaties. The employment of the Borden clause became unnecessary as the king would not in future make a treaty on behalf of the whole empire and insert a clause in such treaty which exempted from its operation those dominions which might not approve of it. The treaties now would be made on behalf of only those parts or portions of the empire that were to be bound by the treaty. For example, a British treaty would be one entered into by the king on behalf of the United Kingdom and Northern Ireland, and it would not involve any of the dominions. The point to which I have referred are the methods by which we indicated our separation from British foreign policy. We are taking a different stand in respect of treaty matters; that was the commencement stage. Did we ever assert a definite foreign policy of our own? Yes. We have an excellent illustration of that in our attitude toward the Locarno treaty in 1925. The United Kingdom through that treaty assumed very serious obligations involving participation in war between France and Germany, and Belgium and Germany, but this treaty contained the exemption clause and Canada declined the assumption of obligation in this matter. The United Kingdom is bound, but Canada is not.

The fourth converging line is that in respect to the Lausanne treaty. Departing from the precedent established by Sir Robert Borden in 1919, the British government in 1923 entered into a treaty with Turkey and omitted to insert the exempting clause. I do not know just why that omission occurred. I have my own opinion, but I am not going to give it to the house at the present moment. At any rate, that treaty provided for the following:

1. Freedom in peace and war of navigation of the straits.

2. Demilitarization of extents of Turkish territory on both sides of the Dardanelles and the Bosphorus and certain funny little Turkish islands, with Greek names, in the Aegean sea and the Sea of Marmora.

3. Under article XVIII, subclause (b):

Should the freedom and navigation of the straits or the security of the demilitarized zones be imperilled by a violation of the provisions relating to freedom of passage, or by a surprise attack or some act of war or threat of war, the high contracting parties, and in any case France, Great Britain, Italy and Japan, acting in conjunction, will meet such violation, attack, or other act of war or threat of war, by all the means that the Council of the League of Nations may decide for this purpose.

This treaty was entered into in the name of the British Empire. Canada was not a party to the negotiations. Canada had not even been invited to be present at the negotiations, and when subsequently we were invited by Great Britain to ratify and sign the treaty, for the reasons I have given Canada refused. I think Canada is to be congratulated on the courage her Prime Minister showed at that time. The temptation was great, the situation was acute and there was a great deal of propaganda in both the British and the Canadian press, but the Prime Minister rose to the occasion and declined to become a party to the treaty. It may be said that constitutionally we are bound. Very well, but morally we are not.

These four considerations, these four converging lines to which I have drawn attention, make very clear our intention to form our own policy. In short, we will not engage in war simply because the United Kingdom is engaged in war. That does not mean that we shall not go to war to the assistance of the United Kingdom in the event of certain circumstances, but it means that we are not bound to do so nor are we automatically at war just because the United Kingdom is at war.

Supposing the position to be that we were involuntarily at war because the United Kingdom was at war, let me give the house an illustration. It may appear to some to be an exaggerated one, but to me it seems to be quite a natural one. Take the situation of the French dependencies, the Senegalese, the other African colonies, the Algerians, the Moors. During the last great war these dependencies of France were reservoirs from which France drew large numbers of fighting men. Germany did the same thing with her colonies; she drew from them large numbers of fighting troops and threw them into the conflict. These Africans knew nothing of the conflict, nothing of its merits, cared nothing

for them. They had no direct interest in them and yet they killed and were killed. That is an appalling spectacle. Yet contrast that with our own situation. Was there any excuse for them? There was. They were not men learned in the art of government. They were not men who had studied this matter, who had an international point of view, and they were subject races. We are not a subject race, nor are we unlearned in the art of national government. Therefore by no stretch of the imagination can anyone justify the position where we should become a mere reservoir of fighting men and be automatically at war because Great Britain is at war. We may assert for ourselves the right definitely to determine for ourselves, or we may, if we will, renounce that right and do as we are told. I ask the house: What choice is it now going to make? Shall we act as an intelligent, self-respecting nation, or shall we proclaim our inability to judge for ourselves, to construct our own foreign policy in our own interest, and involuntarily follow the lead of others to the butcher's block of war in the future? There is the position in which we find ourselves. On which road are we going to place our feet? One or other of these alternatives we must choose.

As regards further reasons in this matter, I want to ask whether hon. members are fully satisfied that in every war since 1763 there were the essential elements requiring the use of arms; or could war have been avoided? Let us glance over some of them: the Anglo-American war of 1812-14 the Crimean war, the Afghan war, the Chinese war, the Zulu war, the Boer war, the Egyptian war and finally, the great war. There may be hon. gentlemen still who would exempt the last war from that category. They might say that that war was essential and unavoidable. If those gentlemen still assert that, I submit to them they have not read the criticism of the last war. They have not read the studies that have been made by others in connection with it. Let me refer to an article written by one of the most lauded and distinguished Conservatives in the Dominion of Canada. Writting in the Queen's Quarterly, volume 36, 1929, in a magnificent article that I ask the house to read when it has the leisure, Sir George Foster has this to say:

> How this after-study and research into the preceding diplomacy and subsequent conduct of the war dispels our war-time illusions and lays bare the trickery and falsehood played upon our most sacred feelings of patriotism and willingness to sacrifice life and fortune for the fair cause of justice and liberty!

[Mr. E. J. Garland.]

Played upon!

> One would only have had to eliminate less than a dozen individuals in Europe to have made it certain that the world would have been spared the holocaust of blood and suffering which took ten million of lives and caused twenty million casualties and brought untold misery to countless women and children the world over.

Those are not the words of a so called radical. Those are not the words of the hon. member for Winnipeg North Centre (Mr. Woodsworth). They are the words of Sir George Foster, one of the most distinguished members of the Conservative party of the Dominion of Canada.

If further justification may be desirable, it can be found in the wide dissimilarity between the British and the Canadian situation, a dissimilarity which cannot be better stated than in the language of the Right Hon. Arthur Meighen himself. Mr. Meighen said:

> Our geography is different, our neighbourhood is different, our racial composition is different. The assets stored by nature in our soil—they are also different. No two nations of this empire have the same path to travel.

Note the words:

> No two nations in this matter have the same path to travel. Each encounters difficulties and enjoys advantages all its own. . . . Canada, for example, is a nation of about 9,000,000 spread over half a continent. You are 45,000,000 people gathered on two small islands. You have a homogeneous population. Only about one-half of ours have origin in these islands, and one-third are of French descent. Your transportation is almost wholly by sea, ours is mainly by land. But the contrast that is emphasized most is this. You are a mighty nation, for five centuries in the forefront of the world, you live on the edge of Europe, and around you are great competitive powers. Your foreign policy has of necessity been the chief pre-occupation of your government. We are a young nation just grown to a nation's stature. We have one neighbour, and one only, and that one an industrial colossus. It lies four thousand miles along our border, producing what we produce, and doing constant battle to forestall us in the world's markets. There is the big dominating fact that meets Canadians every morning. Save for the period of the great war, commercial questions have absorbed our minds. To achieve a measure of independence in commerce and transportation has been the constant care of our statesmen.

Those words, attributed to Right Hon. Arthur Meighen, may be found in a Canadian press despatch from London dated July 31, 1921.

On another occasion Right Hon. Arthur Meighen truly said that the burden on British statesmen at the present moment was nearly beyond comprehension, that there was hardly

any point of Europe or Asia where Britain was not facing a responsibility or a problem. It ought to be observed at this stage that the interests of Canada differ quite materially from those of Australia and New Zealand. Australia, New Zealand and the United Kingdome face some of these problems together. For example, these three states agree upon the necessity for the establishment of a very expensive naval base at Singapore. To Canada that is of little importance, and we decline to contribute to its cost. Again, in the matter of the military defence of the Suez canal this has been and still is a perpetual source of anxiety to the British government. It is thought to be of fundamental importance to Australia and New Zealand. It is one of the chief international danger spots. But Canada has as little interest in the subject as, for example, the Union of South Africa. I use the word "interest" there in the sense of direct interest, and not as meaning such interest as may be involved in consequence to others. If Canada is to tie herself for war purposes to the United Kingdom, I say that that should be accomplished by an alliance. It should be a well considered alliance. It should not be by mere abnegation of our own freedom and self-respect. This, Mr. Speaker, is not a new idea. When introducing the federation bill on the 6th of February, 1856, Sir John A. Macdonald used these very appropriate words—I am quoting from the confederation debates:

> I am satisfied that great as has been our increase in the past twenty-five years since the union of Upper and Lower Canada, our future progress during the next quarter of a century will be vastly greater and when we become a nation of eight or nine millions of inhabitants—

That day is now reached:

> Our alliance will be worthy of being sought by the great nations of the earth.

We can echo the "hear, hear" that then greeted Sir John A. Macdonald's words. He continued.

> I am proud to believe that our desire for a permanent alliance will be reciprocated in England. I know that there is a party in England, but it is inconsiderable in numbers, though strong in intellect in power—which speaks of the desirability of getting rid of the colonies; but I believe such is not the feeling of the statesmen and the people of England. I believe it will never be the deliberately expressed determination of the government of Great Britain. The colonies are now in a transition state. Gradually a different colonial system is being developed—and it will become, year by year, less a case of dependence on our part, and of overruling protection on the part of the mother country, and more the case of a healthy and cordial alliance.

On another occasion in a letter to Sir Charles Tupper, on the 12th of March following, Sir John A. Macdonald, in declining to offer contingents for the Soudan war, said:

> The time has not arrived nor the occasion for our volunteering military aid to the mother country. We do not stand at all in the same position as Australia. The Suez canal is nothing to us, and we do not ask England to quarrel with France or Gemany for our sakes. The offer of those colonies is a good move on their part, and somewhat like Cavour's sending Sardinian troops to the Crimea. Why should we waste money and men in this wretched business?

I am quoting Sir John A. Macdonald. Again:

> Reciprocal aid to be given by the colonies and England should be a matter of treaty deliberately entered into and settled on a permanent basis.

I submit at this stage that it may be difficult to reach agreement upon a treaty for a war alliance. At any rate, it may also be said that discussion of the proposal would be valuable. It would probably make clear to us the propriety of keeping our foreign policy under our own control and the necessity for a perfectly frank renunciation of the notion that Canada ought to engage in a war merely because the United Kingdom is engaged in it. The merits of it, and our interest in it, must in each case be a matter for our consideration.

Let us take next our attitude towards the European—may I call it in slang?—the European mess. Assuming, then, that Canada in framing our foreign policy will be guided by her own views rather than by the views of the British government, what is to be our attitude toward European quarrels? Under stress of war mentality after the war, we assumed certain obligations under clauses X and XVI of the covenant of the league of nations. We soon realized our mistake in that regard, and through our delegates to the league did our best to emasculate clause X. Upon the last occasion, in 1923, we had twenty-nine states voting with us. Persia alone voted no. The British representative at the session wisely said of the vote that "though of no binding effect it will no doubt in practice have a great influence on the conduct of members." Article XVI of the covenant provided that:

> Should any member of the league resort to war in disregard of its covenants under Articles XII, XIII or XV, it shall ipso facto be deemed to have committed an act of war against all other members of the league, which hereby undertake immediately—

And so forth. The rigour of the clause has, however, in various ways been modified, and

in 1929 in connection with the negotiation of the Locarno treaties, the United Kingdom, France, Italy and Belgium gave to Germany a memorandum declaring that the clause:

—must be understood to mean that each state member of the league is bound to cooperate loyally and effectively in support of the covenant and in resistance to any act of aggression, to an extent which is compatible with its military situation and takes its geographical position into account.

Those latter words qualify the commitment under clause 16 to a position which leaves the decision entirely to the nations concerned.

Geographically I submit that Canada is a part of North America. Is she therefore for war purposes to regard herself as part of Europe? I submit no. We can never by any stretch of the imagination induce the French to love the Germans, the Slavs the Turks, the Turks the Greeks, or the Greeks somebody else. We can only do what we can to cooperate with other nations in arriving at some solution of the problem But that solution in my opinion will never be found by making ourselves a part of Europe for war purposes. Make us a part for peace purposes, if you will, and let us stop at that. Canada is not European, she is North American, and we should pursue our policy based on that fact.

It may not be inappropriate at this stage to direct attention to the contrast pointed out by Sir Robert Borden in his Canadian Constitutional Studies. At pages 139 and 140 of that fine little set of studies Sir Robert said:

Of those who took part in the peace conference at Paris some at least returned to this continent with a sense of depression. The fierce antagonisms, the ancient hatreds, and the bitter jealousies of European nationals there assembled were not inspiring. Neither in its methods nor in its results can the highest success be claimed for the peace conference. The creation or recognition of numerous small states, whose populations are wholly untrained in self-government, can hardly assist in preventing war. . . . .

On this continent two nations speaking the same language constitute in effect one community in social and business aspects and relations. Each has its own laws and institutions, each is jealous of its rights and privileges, each has its own intense national spirit. At times there are strong differences, but there is no bitterness and no hatred. Therein is a vivid contrast to what may be observed in continental Europe.

Can any member of this house supply any reason why Canada should associate herself with the antagonisms and the hatreds and the jealousies of Europe? Is this a selfish policy? If it be, Mr. Speaker, I submit that we have many precedents for it, and before passing condemnation upon it we might venture to examine the policies of the powers of the world to discover when one of them acted on anything else but selfish policy.

In closing, Mr. Speaker, I submit that our answer to the two questions I started with should be: First, that Canada will formulate her own foreign policy; that she will not engage in war merely because the United Kingdom or somebody else is at war. Secondly, that we will, so far as possible, maintain ourselves free from the entanglements of Europe. By this I do not mean that we should stand aloof selfishly concentrating upon our own individual affairs and our own advancement alone. By no means. May I say that in order fully to discharge our responsibility as a nation respected by the other nations of the world we should take what part we can by cooperation, by pacific means and, if necessary, by conferences for that purpose, and so achieve as soon as we can, if indeed it ever can be achieved, "the brotherhood of man among the nations of the world." Let us further a fuller understanding of that philosophy throughout the world. It is the great ideal which must govern our actions in the future, and I am satisfied we can best reach that ideal by going our own course in respect to foreign policy, by determining that we will not be involved in war unless by our own will; and so determining I am certain that we can face the future with courage and with confidence.

Hon. R. B. BENNETT (Leader of the Opposition): The hon. Minister of Justice (Mr. Lapointe) this afternoon, Mr. Speaker, referred to a paper read before the Canadian Bar Association by Professor Kennedy of Toronto university, which paper he very properly said I had circulated in considerable numbers amongst members of the profession. I should like to read the two closing paragraphs of that paper:

First: let dominion autonomy be sane and realistic. There is a serious danger to-day that a dominion may become a cross between the individual and his "rights" and the reasonable man of the common law and go strutting about seeking privileges for merely doctrinaire reasons, may in other words become an imperial nuisance. We must not mortgage the future to abstractions nor bankrupt the general welfare of the empire by speculating on the stock market of theoretical extensions of legal rights for which the general will is not prepared. I have a profound contempt for grandiloquent nonsense about autonomy which is divorced from social facts. The empire if it is to survive, must move on Darwinian not on Newtonian lines.

Secondly: We must keep the whole question of empire and of commonwealth out of the mire

of party controversy. We shall play with sacred things if we ever fight elections on this issue. It will be in the future, as it has always been in the past, the political unforgivable sin, when either empire loyalty or dominion loyalty or both are debased by political charlatans. The empire—each dominion—is greater than any ephemeral party triump, and ought to be dearer to us than any political office. Loyalty is a great virtue; we shall rob it of its sublimest meanings if we tarnish it on the political hustings. To do so would be like taking a "chalice of the grapes of God" and using it as the loving-cup of libertines.

When I listened this afternoon and this evening to some of the observations that have fallen from hon. gentlemen I wondered why they dealt with the problems that we are now considering in the tone in which they did. What resentment did they harbour against the little islands in the North sea? What had those islands done to us that hon. gentlemen should speak in terms of "striking from us the shackles that bind us?" Why should we endeavour to have the people of this country believe that we are suffering untold wrongs which we in some way must rise up and redress? Why should we endeavour to induce the rising generation to believe that in this day great numbers of Canadians have been suffering from the oppression heaped upon us by the government of Great Britain, and now at last under the guidance of the Prime Minister (Mr. Mackenzie King) and his Minister of Justice (Mr. Lapointe) we have risen up and shaken off that oppression? Surely there must be something wrong in that attitude of mind.

Mr. THORSON: That is pure assumption on the hon. gentleman's part.

Mr. BENNETT: Well, I listened to the hon. member for Winnipeg South Centre (Mr. Thorson) when he talked of "taking off this badge of inferiority from the lapel of his coat," and I wondered what he meant; I am wondering still. When he spoke of our difficulties respecting radio and deportation I knew that he knew that the statement was not warranted; I knew that he knew the case of Regina vs. Cain decided by the privy council; and I knew that he knew the decision of our own courts in that particular.

Mr. THORSON: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. THORSON: Mr. Speaker, I rise to a question of privilege. I stated that I had held the opinion myself that Canada did possess the power of passing legislation with extraterritorial operation, and that any decisions to the contrary were founded upon wrong principle.

Mr. BENNETT: That, Mr. Speaker, the hon. gentleman will have to reconcile with various parts of his observations so as to make them consistent. I point this out for I find it so difficult to appreciate his attitude of mind. Was England lacking in regard for this young country in the days of the Behring sea controversy; was there any difficulty then? I think not. I think it will be found that at every moment in our history as a young people, whenever our rights were threatened or it became necessary to assert our position among the peoples of the world, the strong arm and all the resources of the little islands in the North sea were available for Canadians.

Then there is the second point that is so difficult to understand, and that is why hon gentlemen should arrogate to themselves a virtue which they do not possess. Why should they say that they have saved an empire, that they have blazed the pathway to an equality of status? Sir, the hon. member for Bow River (Mr. Garland) has indicated two leaders of that line of thought. Sir John A. Macdonald, in the observations that have been read here to-night by the hon. member, as well as in extracts that were read from speeches of his by the right hon. Prime Minister on a previous occasion, has made it abundantly clear that the one object of his life was to maintain on the northern half of the North American continent a great free country, a dominion, but still a part of the British Empire. And so those of us who are interested recall that the effigy to his memory in St. Paul's bears the words:

A British subject I was born; a British subject I will die.

He was content to be known as a British subject, although he loved Canada and placed Canada before any other country in the world

Then if you come to the realization of our present hopes, what person who for a single moment has contemplated the history of our times will deny that the fighting men of Canada who gave their lives on the blood-red fields of France and Flanders have made possible our present constitutional development? The hon. member for Bow River referred to the attitude taken by Sir Robert Borden. Those of us who know something of the workings of the government in those days realize how difficult indeed was the task of our Prime Minister at that time. Especially do we recall the difficulties which he experienced in working out the position of this country amongst the various dominions which constitute the British Empire. At the end of the war when it became essential that our position should be defined, although there was a tendency on the part of some people to

postpone that action, Sir Robert Borden said that this country should become a member of the League of Nations and become known to the people of the world as a country claiming full membership in that great body. Having that fact in mind if hon. members will take the trouble to read the recent books upon the subject they will find that membership in the League of Nations has been taken as the test of a people who have attained a certain definite position in the world. That being so, no one can deny that at least it was the genius of that statesman who led this country along the pathway which made us a member of the League of Nations. Then it was proposed by Sir Robert Borden—and I shall presently refer to the observations of General Smuts on this point—that we should have a great constitutional congress or convention. It was realized that in view of the anomalous position which we occupied as a people scattered over a quarter of the world, with our motherland a little island in the North sea, it was essential that we should have some constitutional arrangement whereby our relative positions might be in some way definitely defined. That constitutional congress was not held until 1926 when, although it was not especially called for that purpose, the Imperial conference of that day dealt with the problems that then confronted our empire. Those problems were met in the manner which has been indicated by hon. members in this house this afternoon. A special committee was appointed, and it was presided over by the late Lord Balfour. The constitutional bases of the major part of the resolutions were written by Lord Balfour and Mr. Amery, and they now stand in the form in which we have them. I think it is correct to say that those resolutions constitute a statement of the then existing conditions. It is true that in the earlier days the Prime Minister regarded them as a great charter, and as the magna charta of our times. I think however on reflection he has realized that they were declaratory. That is, as we sometimes have statutes declaring the common law, so the resolutions were declaratory of the position which had been attained by the various portions of the empire, together with the motherland, which constitute the British Empire.

Mr. MACKENZIE KING: I said that for that reason they were like the magna charta.

Mr. BENNETT: The magna charta went farther than being merely declaratory; it was decidedly different from a mere statement of existing conditions. At least most of us who have read British history will say that while in part it was declaratory, in other instances it was not. Those who are interested in the matter should turn to the address of the Prime Minister in the House of Commons on December 13, 1926, and they will find that he then expressed the views, which have perhaps been softened to some extent by the passage of time—

Mr. MACKENZIE KING: Not a bit.

Mr. BENNETT: —that he realized that they were but declaratory of the position which had been attained not by Liberal statesmen, not by Conservative statesmen, but by the—

Mr. THORSON: Nobody suggested that.

Mr. BENNETT: Mr. Speaker, I am very glad that the hon. gentleman has said that nobody now questions that fact. It is delightful to think that the hon. gentleman himself has now ceased to question it. Be that as it may, I say that for the moment no one will contend that these privileges and usages found in the declaratory resolution were the work of any one man.

Mr. THORSON: Certainly not.

Mr. BENNETT: As Professor Kennedy has said, they represent the true Darwinian principle; they are the result of evolution.

Mr. THORSON: And as inevitable as evolution.

Mr. BENNETT: I am glad the hon. gentleman now believes that they are part of the inevitable process of evolution. If however anyone will listen to his observations at this time and compare them with the observations of the hon. member for Bow River, who has just taken his seat, I think they will find some difficulty in accommodating themselves to the view that the expression of his opinion represented evolution, but they would be rather inclined to the thought that his remarks were revolutionary.

Be that as it may, I think there is a general recognition of the fact that the resolutions of 1926 are declaratory due to the vision and foresight and statesmanship of succeeding generations of statesmen who have directed the destinies not only of Canada but of all other dominions throughout the empire, and in the motherland as well. Particularly might it be said that we owe our position not only to the different parts of the empire but to the sacrifice, the courage and the blood of 60,000 Canadians; I think that fact can safely be stated. When the resolutions of 1926 declared that this country had attained equality of status with other parts of the British Empire and there was no subordination of one

part to another, we realized, and the Prime Minister subsequently stated in this house anl elsewhere, that that was a statement of a condition which required to be qualified, because many events had to take place before it could be fully realized. It was because of that fact that a committee was set up under the Lord Chancellor, and which at a later date was presided over at the London conference by our Minister of Justice. As a result of the deliberations of that body, which represented every part of the self-governing portions of the empire, we have the resolution that is now before this house seeking approval of the work of that committee.

I recall very clearly that the late Bonar Law said that at any time if Canada desired to leave the British Empire there was no one in England who would raise a hand to stop us. In his lifetime he made it abundantly clear, born though he was in Canada, that if the people of Canada intimated, as apparently the member from Bow River hopes they will, their desire to dissociate themselves from the empire—

Mr. GARLAND (Bow River): That inference is absolutely untrue.

Mr. BENNETT: The hon. gentleman says the inference is untrue, and yet he has stated it.

Mr. GARLAND (Bow River): I said no such thing.

Mr. BENNETT: Hon. members will have to read his speech.

Mr. SPEAKER: I would ask that the hon. gentleman be allowed to continue without interruption.

Mr. BENNETT: I am not concerned about the interruptions, Mr. Speaker.

May I further point out that that was the opinion not only of Mr. Law but of others, that if in time this country solemnly and seriously determined that the moment had come when we should dissociate ourselves from the British Empire, we might do so as far as Great Britain was concerned. They said that they would be sorry to see it happen, sorry to see the disruption and disintegration of the British Empire.

To proceed a step farther, we come to the matter of the appeals to the privy council. One would think that some stern power was sitting up devising ways and means of preventing Canadians from being able to appeal to the privy council. Did not Lord Chancellor Birkenhead and Lord Chancellor Haldane declare over and over again that if at any time the Canadian people took the necessary action to determine that they did not desire that their appeals should be heard by the Judicial Committee of the Privy Council, they would indeed be content because it would mean so much less labour for them?

Mr. THORSON: What about Lord Cave's decision in the case of Rex vs. Nadan?

Mr. BENNETT: I am very glad to answer that; I was counsel in that case. It merely was this, that as a matter of law as it then stood, this country was not in a position to deprive its citizens of the right to appeal. That is all, but if we indicate that we desire that the power should be exercised by the motherland, whose statutes admit the appeal, there would be no hesitancy in the passing of an amending statute. In other words, both Lord Chancellor Birkenhead—

Mr. THORSON: The hon. gentleman is not stating the grounds of that decision correctly.

Mr. BENNETT: The grounds of that decision, of course, were that there was a repugnance to a British statute, and the Colonial Laws Validity Act applied.

Mr. THORSON: And our section of the Criminal Code was contrary to the Colonial Laws Validity Act.

Mr. BENNETT: I am bound to say that I do not require to be enlightened by the hon. gentleman in that regard, and I am sure the rest of the house will spare itself that supreme pleasure at this moment.

Mr. THORSON: You may as well state the grounds of the decision correctly.

Mr. BENNETT: I was not even stating the grounds of the decision; I was indicating what Lords Chancellor Birkenhead and Haldane and several other Britiish statesmen who were not members of the legal profession had indicated, that if this country in form and manner provided indicated to the British parliament a desire that we should no longer have appeals to the privy council, such action would be taken, and that the British law lords and jurists were not imposing their services upon the Canadian people but that the Canadian people were utilizing their services because they were available. They were available because we were part of an empire, and every citizen in that empire, however humble and poor he may be, has the right to present his petition to the foot of the throne and have his grievance heard by the Judicial Com-

mittee of the Privy Council. Only a few days ago a poor, weary traveller from India presented a petition in person to the Judicial Committee of the Privy Council, being a committee of the sovereign's advisers, and was heard, and a lady from Canada in person presented her case before that committee and succeeded, not because the British people coaxed her to go there; not because the judicial committee or any other committee asked that she bring her litigation there, but because she desired that the most eminent judges the world knows should sit and determine her case. The reason that the appeals to the privy council exist to-day is that the Canadian people desire that they should exist, and if at any time during the last fifty years this parliament had forwarded to Great Britain a resolution asking that appeals to the privy council be discontinued, the necessary action would have been taken by the British parliament and the necessary legislation passed in that regard.

It is another thing, however, to say that we should pass legislation prohibiting an appeal, because that would be unconstitutional as the parliament of one dominion seeking to deprive the citizens of that dominion of the inherent right that belongs to every citizen of that empire, namely, the right to present his case to the foot of the throne. You will recall that we are told in Holy Writ of the appeal made to Caesar in ancient days, and the appeal being made to Caesar, "unto Caesar shalt thou go." So it is that we have always had the right, during the last half century, through the imperial parliament, to deprive our citizens of the privilege of presenting their appeals to the privy council. If we have not done so it is because we have not so desired and if at any time we so desire the necessary action may be taken.

That clears up at least two of these matters. Now we come to something far more serious, far more complicated, and more far reaching in all its implications and consequences. The action taken by the conference at London is to give effect to a resolution that conferred equality of status upon Canada and Great Britain. That is, it became necessary, if this equality of status was to be realized, that certain outstanding imperial legislation should be either repealed or amended; it should be stricken out in its entirety and no longer have any applicability to this country or else it should be amended. The matters were taken up one after the other by that conference, and the report which we have before us was presented. That report deals at great length with the various matters which were considered. It will be remembered that it dealt with the origin and the purpose of the conference; then it took up the shipping act and the position of India, and the real questions before the conference. These were all by way of introduction. We dealt with the age-long discussion with respect to disallowance. Disallowance is not a matter that is at all singular when applied to Canada; it is a part of the survival of the idea of empire. When new communities were added to the empire by discovery, by conquest or by annexation, certain laws were made applicable to those new communities. If by discovery, then the laws of England became applicable in the absence of any laws from any other section of the world. There were no legislatures; there were no bodies to enact legislation, and so that law that we call the common law representing the accumulated common sense of centuries, became applicable to that new community thus discovered and added to the British Empire. Legislative power there was none in this new community, for it had no institutions; it had no legislature, to pass decrees or ordinances of any kind or character whatsoever. Therefore the legislation passed in London at the parliament at Westminster had applicability to this new community, because it had been added to the empire.

That is all that may be said about that, and when new institutions did grow up; when Cornwallis, for instance, signed at Halifax the first order on this continent for an election of members who constituted the legislative assembly of Nova Scotia, there grew up a community with power to pass laws for the peace, the order and the good government of the colony called Nova Scotia. There came a time when the legislation passed by this new colony was repugnant to or conflicted with the legislation passed by the parliament at Westminster. If that legislation was repugnant to the common law, the judges at Westminster decided that the legislation of this new colonial legislature was invalid if it conflicted with the common law of England as declared by the judges. The Colonial Laws Validity Act, as the minister very properly indicated this afternoon, was intended to expand and not to restrict the powers of colonial legislatures. Why do I say that? Because it provides that in case of repugnance or conflict between the common law and the legislation of a colonial legislature, the legislation of the colonial legislature shall prevail over the common law. But the very essence of the idea of empire still obtained, and in case of conflict, if there should be any, be-

tween the legislation of the parliament at Westminster and the legislation enacted by the legislature of the colony, whatever it might be, then the legislation passed at Westminster should prevail. The Colonial Laws Validity Act so provided.

That act was passed in 1865, two years before this confederation. What did it mean? It meant this, in practice: That when this parliament enacted a law that provided that there should be no appeal to the Judicial Committee of the Privy Council in criminal cases, if that enactment conflicted with the British statute, as it did, the British statute should prevail and the right of appeal should be maintained, because the humblest subject had the right—not under Canadian law but under British law—to present his grievance to the foot of the throne.

The question of disallowance is somewhat similar in its history, because the power rests in the federal government here at Ottawa to disallow a provincial statute if in the opinion of the Justice department that statute contravenes well defined principles of jurisprudence, that is, if it is beyond the legislative competence of the legislature to enact such a statute there is power in the governor general to disallow and declare that statute to be of no effect. It will be recalled that only a few years ago a statute was passed by the legislature of Nova Scotia and was disallowed by the governor in council because it was felt that it was repugnant to natural justice and to the ideas which were held in this country as to the rights of individual citizens. It will be recalled that the Hon. Edward Blake took the view that instead of disallowance being exercised by the federal power, it was desirable that the matter should be referred to the courts which would determine whether the power exercised by the provincial legislature was or was not legally exercised. The power of disallowance has fallen into disrepute, having been exercised only once or twice during the past quarter century. It is said that disallowance is not in keeping with our institutions, and that for a period of two years or one year, as the case may be, there should not be power in the king in council to disallow a statute passed by a dominion parliament in the exercise of its plenary powers as a parliament. Some of the speeches would be inclined to make us think that we are trying to extract something from the government of England which it was reluctant to give us; something like pulling teeth. At all times and upon all occasions that government has expressed the utmost willingness to meet any views which we may express in that regard. Why look upon this as something wrung by a son from a reluctant mother? This is something which is given without question, something which represents the fulness of the operation of the institutions of our country. The power of disallowance disappears.

Another question arises, as was pointed out, although not fully, by the hon. Minister of Justice. We desire, and when I say "we" I am not distinguishing between Liberal and Conservative governments—it just happens to be a Liberal government—that our securities should be trustee securities in England. The Hon. Mr. Fielding desired it and for a long time he endeavoured to secure that concession. By reason of difficulties which were experienced in days gone by in connection with securities to which attention might be directed, we provided by an agreement with the British treasury that if legislation of this parliament menaces the validity of securities which have become trustee securities under the laws of England, that power of disallowance may be exercised. This provision is not peculiar to this particular country. It is pointed out in the report that there were certain provisions in that regard in the Colonial Stock Act of 1900. The reserving of statutes passed by this parliament for the consideration of the sovereign in council has not been in use for a very long time. It now disappears.

With these recommendations no difficulty will be experienced, but when we consider the question of the extraterritorial operation of dominion legislation, we are on different ground altogether, and one which may lead to complications of the first order. I shall not take up the time of the house by discussing them at length, as the hon. member for St. Lawrence-St. George (Mr. Cahan) has presented them with a wealth of detail. I think it will be agreed that the Right Hon. C. J. Doherty gave the fullest possible explanation regarding the exercise of extraterritorial powers which has ever been given in this house. I think my hon. friend the Minister of Justice will bear me out in that statement with reference to the address of Mr. Doherty in introducing his resolution dealing with this matter. He went into the matter with a wealth of detail and knowledge and precedents which has not been since revealed in this house. As the hon. member for Winnipeg South Centre has said, there are those who believe that it is incidental to the exercise of our powers as a parliament that we should legislate in an extraterritorial sense. That view is not held by all. As I pointed out this afternoon, while the hon. Minister of Justice was speaking, our supreme court expressed a divided opinion upon divorce legis-

lation. If I remember correctly, that matter did not go to the privy council. The privy council held in the Cain case that we had such powers. It is a very nice question, but one which I will not take the time to discuss, as to whether or not we possess already the power to enable us to enact legislation of an extraterritorial character. There is a possibility of grave difficulties in this regard, which those who had charge of this matter at London last fall did not fail to recognize. Extraterritorial legislation may bring about difficulties, but it is not my purpose to do more than point out the possibilities where you have various parts of the empire that may be affected thereby. It will be observed from the report made by the committee that special provisions were made to deal with this matter.

We now come to the question of dealing with our constitution, which is one of first importance. At page 29 of the report we read:

> Nothing in this act shall be deemed to confer any power to repeal or alter the constitution acts of the Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand, otherwise than in accordance with the law and constitutional usage and practice heretofore existing.
>
> Nothing in this act shall be deemed to authorize the parliaments of the Dominion of Canada and the Commonwealth of Australia to make laws on any matter at present within the authority of the provinces of Canada or the states of Australia, as the case may be, not being a matter within the authority of the parliaments or governments of the Dominion of Canada and of the Commonwealth of Australia respectively.

I put this question to the Minister of Justice: Can you say that you have equality of status if you do not have power to amend your constitution?

Mr. LAPOINTE: Surely.

Mr. BENNETT: The Minister of Justice is too astute a lawyer to answer that question in the affirmative.

Mr. LAPOINTE: Then I am not astute, because I do answer in the affirmative.

Mr. BENNETT: Surely the hon. gentleman does not wish to negative the first qualification of a state, which is the power to amend its constitution?

Mr. LAPOINTE: A condition brought about by our own will is not a subordination.

Mr. BENNETT: I put to my hon. friend a fundamental principle which I think governs all these matters, and which should be in our minds when we are discussing them. It is this: If it becomes necessary for another parliament to exercise its power in order that we may attain our ends, we are not on an equality of status with that power. That is axiomatic, and it is one of the difficulties in connection with this matter. It is so axiomatic that I sent to the library to obtain an elementary book on constitutional cases, of which the second edition is under my hand. If it is necessary to call into operation the legislative power of another state to enable this state to attain its ends, then there is no equality of status as between this state and that. Leaving that aside for the moment, may I direct attention to these words on page 28 of the report:

> Canada alone among the dominions has at present no power to amend its constitution act without legislation by the parliament of the United Kingdom.

The Minister of Justice, when he signed that report, which contains paragraph 63 on page 28 stating in terms unequivocal that this Dominion "alone among the dominions has at present no power to amend its constitution act without legislation by the parliament of the United Kingdom," certainly will not say there can be any such thing as equality of status if that statement is correct. That does not require argument, does it? The Minister of Justice this afternoon said that if Canada desires to have its constitution amended, all it had to do was to express that desire as we are doing in the terms of the address we are now making to the imperial parliament regarding western natural resources and the imperial parliament would act upon our address. But that begs the question. Power must be exercised by another body, and whenever power has to be exercised by another body to effectuate a purpose that this state proposes, then that state and this one are not on an equality of status. That is clear beyond peradventure, so clear that the Minister of Justice recognizes it in paragraph 63 on page 28 of the report.

Following the discussion to which attention has been directed, is a legal anomaly which I shall refer to only in passing, and that is this, that while the Colonial Laws Validity Act is no longer to apply when we are dealing with legislation of this parliament, such power as still remains in the Colonial Laws Validity Act will be applicable against Quebec, or Ontario or New Brunswick or Nova Scotia or any other province of the Dominion. That is the position that the conference provides for, as will be found in paragraph 71 on page 31 of the report.

There remains for consideration a matter which, I think, might well involve the atten-

tion of the house for days, and that is the question of navigation. The greatness of this empire has been built up, of course, upon its power to man and sail ships, to penetrate to the most remote parts of the world, to carry on trade and commerce to meet the demands of peoples of all nations and living under all flags, and to bring their products and commodities to other lands for sale and barter. Every one admits that. The history of the navigation laws of this country would take entirely too long a time for me to trace to-night and I shall not endeavour to do so. But let me say this: I was not long since discussing this matter with a gentleman of the Liberal faith in politics, one of the most distinguished of what is called the advanced school of Liberal thought, to which the hon. gentleman referred this afternoon; and he felt that in dealing with this question as we have, we have taken a step that probably we should not have taken without having some alternative to substitute for present conditions. My only criticism is not a criticism that is urged against the principle of this country having full and plenary powers to deal with matters of navigation, but rather that in the exercise of those powers we should by conference and consultation with other parts of this great empire have an alternative scheme to take the place of what we now have.

I put this question to the house: Is it well for us that we and other parts of the British Empire should have differing laws with respect to navigation when one reads in that report all that is involved and implied, for instance, our rights that flow from being able to command the protection of the forces of the motherland under given conditions, the right to appeal to consuls, the questions of conditions in courts, the question of dealing with sailors, and so forth? Is it not well that we as an empire should have uniform laws in that regard? I think it will be admitted that that is so. I shall not deal at length with the report, but if hon. members will take the trouble to read it they will find it deals with the whole problem of carriage of goods by sea, the whole problem in connection with the enforcement of law, naval courts, destitute seamen, courts of inquiry and certificates of competency and service, internal discipline and agreements with crews. Is it not well that there should be some form of general agreement between the various maritime dominions which constitute the British Empire? That is not as a matter of theory, but as a matter of practice. It is necessary that it should be so if Canada is to take its place as a great maritime power. I recall that in days gone by there were on the registry of Canada more ships in point of tonnage than there is now. Before the day of iron ships we were building ships in great numbers. That day is past, but in that day we had the benefit of all the advantages and experience of the motherland in dealing with problems connected with navigation and shipping.

Now are we to say, without having any alternative scheme to take its place, that present conditions should be replaced by something that leads we know not where, the end of which we know not? The hon. gentleman this afternoon said that we were afraid to break new ground. It is sometimes better to be careful than careless; it is sometimes better to be discreet than otherwise, and history teaches us that unless we have some alternative to offer to an existing condition, you can give no excuse or reason why you should change that existing condition. The essence of progress is not change; it is a change from one condition to another, the new condition being better than that from which you changed. Here we have no alternative offer, nothing whatever. In fact, this report suggests that in dealing with matters of navigation it is well to remember that we should retain existing conditions for a season —lest what? Lest by trying an innovation we meet with disaster.

If there is one thing which is complicated, it is the law of shipping, as any gentleman who is familiar with the law in that regard knows. It is one of the most difficult subjects in the whole fabric of the law for law students, so difficult in fact that in every generation in Great Britain there are only two or three great shipping lawyers, men who are supreme in their profession, masters of the whole theory and practice of shipping laws. When I read these paragraphs as I did and saw the matters with which they dealt, I asked myself, as I asked friends of mine and as doubtless hon. members are now asking themselves: What is to take the place of existing conditions? What do you offer as a substitute? What shall replace it? Is it something better, or is it something worse, or nothing at all? At the moment it is nothing at all, and I submit with great confidence to my hon. friend that we should not lightly change a condition unless we have to offer for it something that is at least as good if not better. It is because of my difficulty in that regard that to this one phase of the whole report more than to any other, I direct attention. I also direct attention to the admiralty courts, because they have been so closely connected, so allied to the progress, growth and development of our whole system of navigation and maritime

laws that if we were to say suddenly that we shall set up new tribunals dealing with these matters I think the house will agree that the observations made by the hon. member for St. Lawrence-St. George this afternoon indicating that Canadian ships will not remain upon the Canadian register upon such conditions, were not an overstatement of the case. Does any hon. gentleman think they are too far-fetched in view of the implications that are involved? I think not. Our merchant marine is now somewhat limited. It will become less in tonnage as the days go by, and you will find that the great ships owned by Canadian enterprise will be registered not from Canadian but British ports. I am sure every hon. member of this house realizes that there is tied up with this very matter one of the most difficult of all questions in the world. The flag a ship flies over her taffrail is the flag that determines the measure of protection she receives from the people of the world, and when we come to consider that we have the British flag, with the arms of the provinces in the fly, authorized for flying upon the seas, one begins to realize all that is involved in this problem. I have heard gentlemen discuss this matter whose knowledge of it is so very great that I feel I know but nothing when talking with them, gentlemen dealing with matters of shipping and matters of piracy on the high seas, and who have discussed with me the implications of our endeavour in this regard. I confess that when I listened to them I realized how far-reaching were the possible consequences of the action that we are asked to take to-night. It is for that reason that I have suggested that we should proceed slowly in a matter of this kind.

Who has complained? Has any man complained? Has any injustice been done? Has anyone for a single moment asserted that the rights and privileges of Canadians have been invaded, or wrested from them? To the British consuls who are sent out by Great Britatin all over the world Canadians have appealed on every occasion where matters affecting shipping were concerned. When the I'm Alone was sunk, if you read the life of Captain Randall, you will see that the first person he went to was the British consul. He is the man that the ship wrecked mariner always goes to. The master of a ship in distress in a foreign port always goes to see the British consul. Can we longer claim the right to go to the British consul if we are to set up our own views with respect to this matter, unless indeed we make a contribution to his upkeep, as possibly we may be asked to do? I know not; that may be. But if we pass this legislation, if we then suggest that the British consul shall be appealed to, we have divested ourselves of that right by the very action we are taking.

I was born beside the sea. I have seen great ships come and go since I was a youth. I realize just what part they play in the commerce of the world. I have listened to seafaring men tell tales of their experiences in far off lands ever since I can remember anything, and I know this, that the one tale which they have invariably told is that in moments of stress and strain, whether from the Atlantic coast of Nova Scotia or New Brunswick, or from Quebec or the Pacific, the man they have gone to with their complaints has always been the British consul, and from him they have had the protection that came to them because their ships flew the flag of empire. It is because of that I say in all seriousness to my hon. friend the Minister of Justice that I think this matter should be proceeded with slowly. Discussing it with a great legal mind in this country, by common consent I think the foremost Liberal legal mind in Canada, he agreed that we should have some alternative before we destroyed the existing condition.

I shall not weary the house with further discussion, but I should like to make this observation in answer to what was said by my hon. friend from Winnipeg North Centre. I deprecate more than I can say introducing into a discussion in this house at this time conditions in India. I have no desire to exaggerate, but, sir, I am profoundly convinced that whatever there may be about those little islands and their history, the greatest tribute that men will pay to them in the future will be to their administration of law and order and justice in India. There less than one hundred thousand men have maintained law and order among a population of hundreds of millions. The attack made tonight by my hon. friend from Winnipeg North Centre I think was wholly unwarranted, and I do not like to see it go out from this house as representing in any sense a desire upon the part of this Canadian House of Commons to interfere with or even discuss problems of which it knows so little, and about which we are so illadvised. The only discussion I have had about India was certainly a very limited one. It was with the Prime Minister of Great Britain, and when I heard him make the statements he did, I then and there resolved that for me to discuss conditions in India would be indeed but to give evidence of my profound ignorance of a problem so far-reaching in its consequences and so complicated involving questions of caste and of various races and religions that I think

we all should hesitate before we offer to express opinions on India at a moment when all the power of intellect of British statesmen is being used for the purpose of finding a solution of one of the most difficult problems of our time.

One word more, and I make it of general application. This afternoon and this evening we have heard the words "state" and "nation" bandied about and used as if this were an independent country. Those who read the observations of the hon. member for Bow River in that regard will read into them that he interprets the speech of the Minister of Justice to-day as warranting a conclusion which, if true, means that we are on the verge of jumping off into independence. It means that or nothing. I do not interpret the hon. gentleman's observations in that sense. His committee had no such object in mind. In the broad and general sense there is no man in this country who professes the Conservative faith in politics who has not endeavoured, so far as I know, from the days of Sir John A. Macdonald until to-day to see to it that Canadians occupy no subordinate position within our empire. The term "equality of status" is a term coined by a great philosophic statesman, the late Lord Balfour. It perhaps aptly expresses in a few words what every Canadian would wish, but when we use it we must always remember that in the ultimate analysis it is the judges who interpret and determine what things mean, and resolutions of this House of Commons have no place before the courts. They may not be cited because they are not authoritative. They may not be relied upon because they constitute no binding legislative act. When this parliament acts, it acts through the Senate, the House of Commons, and the King. The three bodies that constitute this parliament must act together. A resolution of this House of Commons has no binding power and no authority upon which judicial process may be predicated or founded. It is well that we should always keep in mind the essential meaning of a state. When we use the word "state" or "nation" let us remember that these words in international law have a well-defined and well-understood meaning. They have a meaning which is as exact in its terminology, as complete in all its implications, as the word, for instance, that my hon. friend the Minister of Railways and Canals (Mr. Crerar) looked for in the dictionary the other day. I hold in my hand the second edition of Outlines of Constitutional Law, and the introductory words are these:

> The state.—A state is an independent political society, occupying a defined territory, and the members of which are united together for mutual protection and assistance. Its function is to repel aggression from without, and to maintain law and order within its own dominion.

That is a modern and legally authenticated definition of a state. The first point is that it is an independent political society. We must always remember that loose speaking, involving loose thinking, with respect to constitutional matters, brings great difficulties. That has been so; it is so in this case. It is essentially desirable that we should utilize words in their exact meaning, and not use wrong terminology in referring to matters which have well-defined constitutional and international meanings.

Then you proceed to the next point, Government defined:

> The sovereign, according to Austin, is the person or persons having supreme authority in an independent political society, and in every state there must be a sovereign power which exercises and controls the functions of government, and conducts and regulates the intercourse with other political societies. "The aggregate of powers," says Sir William Markby," which is possessed by the rulers of a political society is called sovereignty. A single ruler, where there is one, is called the sovereign; the body of rulers, where there are several, is called the sovereign body, or the government, or the supreme government. The rest of the members of a political society, in contradistinction to the rulers, are called the subjects.

Now, may I refer to these words as words which every hon. gentleman, whether a member of the legal profession or not, can fully understand and realize the importance of:

> The internal functions of government are commonly divided into three categories, namely —(1) legislative; (2) judicial; and (3) executive. The legislature makes, alters and repeals the laws. The judicature, or judicial bench, interprets and applies those laws; the executive carries those laws into effect. The sovereign power of a state may be vested in a single individual, as in an autocratic state, or in a smaller or larger body of citizens, as in the case of an oligarchy or of a democracy. The allocation of sovereign powers may vary indefinitely, but whatever the form of government may be its functions must, in a modern state, be delegated to a large number of persons. Sir William Anson divides those persons into the following classes, namely, legislators, maintainers of order, and protectors of state independence in dealings with other societies.

These are the meanings which attach to the words I have used, and the division of government into legislative, judicial and executive branches is as old as the time of Aristotle. The legislative function we exercise here through the commons, the Senate and the sovereign. The judicial function is the function that, under our institutions, is delegated to those who sit upon the bench; they inter-

pret the laws, and the meaning they give to them is the meaning warranted by precedent and authority. Every hon. member, whether he be a lawyer or not, realizes that you cannot describe Canada as a "state" or as a "nation" and be within the terms of the interpretation which the courts will give to these words. These resolutions have no place before the courts, as I have already said; but when they are crystallized into legislation and enacted by the parliament of Westminster they must be interpreted, and that is the reason it becomes so important that the far-reaching consequences of these acts we are about to pass upon should be considered in every phase. I do regret more than I can say that this matter should be discussed in this parliament so late in the session. In my judgment it should be very seriously studied by the various members of this house.

Sir, in the end they mean this. They mean that we have cut the painter completely, that we have let go the moorings that have heretofore tied us to the islands in the North sea. We have obtained equality of status by the process that I have indicated—by the blood and sacrifice of Canadians upon the field of battle and by the genius of our statesmen.

But, sir, it must not be forgotten that when we do these things and make ourselves, as the hon. gentleman has said, "in no way subordinate one to the other," we have attained a position which no longer means that unity of power which has made possible the development of our maritime supremacy. It means more. It does not mean difficulties in the field of domestic legislation; there are none. There is not a Canadian but desires to see what the hon. gentleman from Winnipeg so appropriately termed "constitutional practice embodied in statutory form." That is all that many of these recommendations amount to, merely the embodiment in statutory form of the constitutional practice that has grown up since confederation.

But there is the other phase of it, the phase that breaks new ground. The unitary system that has prevailed, that ties together every part of a quarter of the world's people inhabiting a quarter of its area, you have broken into fragments so far as their position one to another is concerned, and they can depend no longer upon the united action and the power and the authority that come from a unitary system in its dealings with the peoples of the world. We should pause and think before we do these things, we should understand their implications. As the hon. member for St. Lawrence-St. George said this afternoon they involve 150 imperial statutes that affect and touch the national life of Canada. Have we considered this? Do we realize it. Are we fully cognizant of all that is involved? I think not. Gladly do I give my approval to the changes that are but domestic in their character, that place upon the plane of statutory enactment the constitutional practice evolved during the last half century. But if I had the power this night I would ask that these amendments should not be made without full and fair consideration by the provinces, by all those who are concerned in the far-reaching consequences of a change in the system, a change that strikes at the very foundation of that unity which makes possible the strength of this country as a part of the greatest maritime power in the world.

That is the reason, sir, that I have ventured at some length to point these matters out. I certainly resent as deeply as anyone can resent the idea that one party in this country is the party that is entitled—to what? To credit. It has been said in various parts of the country that the Liberal party is responsible for any effort towards equality of status. Sir, the record does not so prove, and if some of us desire to point out, as it is our duty to point out in this house, the implications and the far-reaching consequences of legislation contemplated by the resolution, we do it not in any spirit of opposition but rather from an earnest desire that any amendment that may be made which will in any sense change the relations now existing between us and the other parts of that entity called the British empire should be made only after the fullest consideration of all the consequences that may follow. And I trust that the words of Professor Kennedy will ring in the ears of hon. members, and that they realize that grandiloquent terms about autonomy and equality of status are but sounding brass and tinkling cymbal. They do not constitute changes. The changes thus made are not recognized in the courts; the legislation that follows is what binds, and we should pause and consider very carefully before we give approval to legislation of far-reaching consequences which we have not contemplated.

That, sir, is the position we take with respect to these matters. All who read the two great addresses of the Right Hon. J. C. Smuts while visiting this continent cannot but realize that he of all men who had made so great a struggle for the autonomous units that constitute this empire realized the dangers towards which we are moving when he said that we have obtained equality of status. What is our duty now? The consolidation and the strengthening of empire. That will never, never be brought about by the passing of legislation

that cuts our moorings and leaves us floating in the great sea of the world, content to work out our destiny alone, instead of continuing in unity and combination with the other nations that constitute this empire.

Mr. MACKENZIE KING: Mr. Speaker, I should like to ask my hon. friend the leader of the opposition and other hon. members if it would be agreeable to them to conclude the debate this evening.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: I think the Minister of Justice wishes to reply. I do not know that there are any other speakers.

Mr. BENNETT: No, there are those on this side who do not desire to continue tonight.

On motion of Mr. Mackenzie King the debate was adjourned.

## PRIVATE BILLS

### FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 314, for the relief of Nellie Carr Weeks.—Mr. Kay.

Bill No. 315, for the relief of Donald Burwell Ross.—Mr. Black (Yukon).

Bill No. 316, for the relief of Cherry Ray Fletcher.—Mr. Lawson.

Bill No, 317, for the relief of Eleanor Ernest —Mr. Casselman.

Bill No. 318, for the relief of Hazel May Roland.—Mr. Casselman.

Bill No. 319, for the relief of Reginald Ernest Ball.—Mr. Casselman.

Bill No. 320, for the relief of Marion Elizabeth Gamsby.—Mr. Sanderson.

Bill No. 321, for the relief of Ethel Long Nightingale.—Mr. Lawson.

Bill No. 322, for the relief of Winnifred May Cahill.—Mr. Ryerson.

Bill No. 323, for the relief of Gertrude Lockhart.—Mr. Garland (Carleton).

Bill No. 324, for the relief of Frederick Max Quick.—Mr. Young (Toronto Northeast).

Bill No. 325, for the relief of Daniel McQuistan.—Mr. Garland (Carleton).

Bill No. 326, for the relief of Anna Ruel.—Mr. McPhee.

Bill No. 327, for the relief of Ethel Adine Ross.—Mr. Bell (St. Antoine).

Bill No. 328, for the relief of Ronald Paterson.—Mr. Boys.

Bill No. 329, for the relief of Rosanna Christena Jarrett.—Mr. Black (Yukon).

Bill No. 330, for the relief of James Lean.—Mr. Anderson (Toronto-High Park).

Bill No. 331, for the relief of Lyall John MacDonald.—Mr. Casselman.

Bill No. 332, for the relief of Essa Mulant Durry.—Mr. Casselman.

Bill No. 333, for the relief of Esther Eleanor Zryd.—Mr. Casselman.

Bill No. 334, for the relief of Ida Jane Gertrude Rea.—Mr. Casselman.

Bill No. 335, for the relief of Thomas Green. —Mr. Gray.

Bill No. 336, for the relief of Inez Elizabeth Gross.—Mr. Pettit.

Bill No. 337, for the relief of Viola Turquand.—Mr. Spence.

Bill No. 338, for the relief of Norville Alberta Gourley.—Mr. Lawson.

Bill No. 339, for the relief of Martha Brown Hemsley.—Mr. Hepburn.

Bill No. 340, for the relief of Edward Baker. —Mr. Spence.

Bill No. 341, for the relief of Herbert Machen.—Mr. Spence.

Bill No. 342, for the relief of Marjorie Mary Gwendolyn Dempsey Davis.—Mr. Garland (Carleton).

Bill No. 343, for the relief of Wilfred Nathaniel Bickle.—Mr. Ross (Moose Jaw).

## SUPPLEMENTARY ESTIMATES FOR 1930-31

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1931, was presented by Hon. Charles A. Dunning (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

On motion of Mr. Mackenzie King the house adjourned at 11.05 p.m.

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# Tuesday, May 27, 1930

The house met at eleven o'clock.

## SOCKEYE SALMON FISHERIES

### TREATY BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 344, respecting a certain convention signed the twenty-sixth day of May 1930, between His Majesty in respect of Canada and the United States of America for the preservation and extension of the sockeye salmon fisheries in the Fraser river system.

He said: Mr. Speaker, yesterday I tabled a treaty which had been signed in the morning on behalf of the United States and

Canada with respect to the preservation and extension of the sockeye salmon in the Fraser river system. It is similar to the treaty which was introduced in the house last session but which was withdrawn before the session closed. The government is asking approval of the treaty in the form of an act rather than just by resolution, inasmuch as some legislation is required to give full effect to the provisions of the treaty. It is believed that the single measure will lend expedition in the enactment of the necessary provisions. The bill which is now being introduced includes the necessary legislation.

Motion agreed to and bill read the first time.

## BUSINESS OF THE HOUSE—PROCEDURE

On the order of government notices of motion being called:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, probably it would facilitate the work of this morning's session if we were to proceed at once to government orders, with the consent of the house, and resume the debate which was being carried on when we adjourned last night.

Mr. SPEAKER: Then we will say "stand" for government notices of motion and proceed with the orders of the day.

## CHINESE EMPLOYED ON BESCO SHIPS

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg: I have just received a communication in which it is stated that on the ships plying between Montreal and Sydney, owned by the Besco corporation, white men recently have been replaced by Chinamen. I should like to ask the acting Minister of Immigration if he has heard anything in relation to this matter and whether he has issued any special permits to allow this to be done. I remember that some years ago a special permit was necessary in order to allow these Chinese to work on these steamers.

Hon. CHARLES STEWART (Acting Minister of Immigration): I am not aware of anything of the kind having taken place, but of course I will make inquiry and ascertain if this is being done to any extent. Of course my hon. friend will realize that the vessels would have to be of Canadian registry.

## "PATRONAGE" SOUTH ESSEX

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, I had a question on the order paper which apparently has been sidetracked, and I cannot find out what has become of it. It was in relation to the government patronage in the riding of South Essex.

Mr. SPEAKER: It was answered yesterday.

## UNEMPLOYED WORKMEN AT THE PAS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I would like to direct the attention of the hon. Minister of Railways (Mr. Crerar) to the following letter which I have just received from The Pas:

> Two hundred men and four hundred new Canadians without work in The Pas, stranded. I personally served three years overseas being under age when I enlisted. All we want is work, not charity.
>
> Some of the men hired for Churchill and Hudson Bay railway are being shipped in here from all over the Dominion. In my opinion, men who have helped to develop this country are surely entitled to consideration. We do not want to mix politics in this matter.
>
> I am,
>
> Your obedient servant,
>
> Respectfully,
>
> R. G. Thomson.

I would like to ask the minister if anything further has been done in this matter, as it seems to be a very serious situation.

Hon. T. A. CRERAR (Minister of Railways and Canals): Mr. Speaker, in reply to my hon. friend I would say that there has been quite a number of men at The Pas for several weeks past. I suppose they went in expectation of work in the north country. A large number have been absorbed by the Canadian National Railways on ballasting work from The Pas to Churchill. So far as the reference to men coming in from other parts of Canada en route to Churchill is concerned, as I stated to the house before in reply to a question from my hon. friend, as many of the men who were working last year at Churchill as desired to return were given the opportunity to do so. Those coming in have been men who worked on the line last year, and they are going to work under that arrangement. I have received several communications from The Pas in respect to this situation, some of which I think should have been addressed to the Minister of Labour (Mr. Heenan). A few days ago I received a telegram from the secretary treasurer of the municipality, but that telegram did not indicate quite so serious a condition of affairs as the communication my hon. friend has just read. In reply to that telegram, I sent the following:

> Telegram re unemployment at The Pas received. Relief is primarily matter for

municipality and province to deal with. If province unable to do so and request financial assistance from federal authorities government here will consider what assistance it can give in the circumstances. Carter, Halls, Aldinger and Company who have been awarded the contract for building the elevator at Churchill will be commencing operations as soon as possible and have advised they will be glad to take as many men as may be suitable for the work from The Pas. They will require altogether from 300 to 400 men.

For the information of my hon. friend, I would say that a copy of that telegram was sent to the Premier of Manitoba.

## FILIPINO IMMIGRATION INTO BRITISH COLUMBIA

On the order of the day:

Mr. W. G. McQUARRIE (New Westminster): Mr. Speaker, I would like to ask the Minister of Immigration if he has heard anything regarding Filipino immigration into British Columbia, which matter I brought up some days ago.

Hon. CHARLES STEWART (Acting Minister of Immigration): I have had inquiries made, but it would appear that no Filipinos have passed our immigration officers. Of course, that does not mean that they have not got in in some other way, but if my hon. friend will give me the particular localities in which they are located, I shall be glad to have further inquiries made.

Mr. McQUARRIE: I have received a letter from Mr. Charles E. Hope, manager of the Deep Creek Farm Limited, Fort Langley, B.C. in which among other things he says:

> You will be surprised to hear that the advance guard is already in British Columbia and we have had applications from Filipinos to work on my farm.

In any event, they have gone into Fort Langley.

Mr. STEWART (Edmonton): If my hon. friend would let me have that information, I will investigate the matter.

Mr. McQUARRIE: I will be glad to give the minister a copy of this letter.

## JUDICIAL ROTATION SYSTEM

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, we have in the province of Quebec what is known as a rotation system for the judges of the superior court. Each judge in turn is supposed to visit the rural districts, but there has been an exception made for several years in the district of Kamouraska, for which district the Minister of Justice for many years was the most distinguished member. I know this is not a federal matter, but I would ask the minister if he would be kind enough to communicate with the Attorney General of Quebec in an endeavour to see that the system in force in that province is applied to the district of Kamouraska as to the other constituencies. I am unable to give to the house the reasons for this request.

Mr. LAPOINTE: I will be pleased to inquire into the facts mentioned by my hon. friend.

## FONTAINE AND LACASSE

On the orders of the day:

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I would like to refer to the case of the two young men, Fontaine and Lacasse, which was brought to the attention of the house the other day by the hon. member for Winnipeg North Centre (Mr. Woodsworth).

Mr. MANION: And some time ago by myself.

Mr. LAPOINTE: The documents reached the Department of Justice only last week, and these men were immediately released on Saturday on ticket of leave. Since then I have looked into the matter and have investigated the circumstances, and yesterday I signed an order for a new trial as requested by their counsel.

## FARM LOAN BOARD

On the orders of the day:

Mr. A. J. BENOIT (St. Johns-Iberville): Mr. Speaker, may I be permitted to ask the government whether it is its intention at this session to reduce the rate of interest exacted by the Canadian Farm Loan Board on loans made to farmers. I had a resolution on the order paper of March 20th, but on April 29, 1930, at the request of the Clerk of the House, who stated that private members' days were exhausted and that the resolution would involve useless expenditure, I agreed to withdraw it.

In the meantime a petition signed by ninety-five members of this house, who are in earnest, asking that the rate of interest be reduced by one per cent, has been addressed to the Minister of Finance—I was one of the members to sign that petition—and I now ask the government to grant the request on behalf of the farming community.

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I received the petition to which my hon. friend has referred. Of course, the government is bound by the existing legislation, and it is not planned to introduce an amendment this session. The principle of the legislation is that the money should be loaned at cost, and it is intended to carry out that principle. At the present time I do not see how the rate of interest could be reduced to the borrowers and comply at the same time with the principle of the law, which is the loaning of money at cost. The matter is being studied but it must be remembered that the Farm Loan Board has been operating for less than one year, and it is rather difficult to say just what the situation in the future will be.

## TRADE WITH RUSSIA

On the orders of the day:

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I would like to draw the attention of the Prime Minister (Mr. Mackenzie King) to a Canadian Press despatch which contains the information that because of the credits which have been arranged between Great Britain and Russia an order for no less than 3,000,000 pairs of boots has been received by England. Has anything been done to develop trade between Canada and Russia?

Right Hon. W. L. MACKENZIE KING (Prime Minister): This matter might stand as a question.

## INQUIRY FOR RETURN

### STEAM TRAWLERS AND DRAGGERS

Mr. HARRY B. SHORT (Digby-Annapolis): Mr. Speaker, on April 28 an order of this house was passed for a return; on May 14 I made inquiry as to when I might receive it and the Minister of Marine and Fisheries (Mr. Cardin) advised me that it would be forthcoming at the earliest possible date. Up to date I have not received it. I notice the minister is in his seat this morning. May I ask him when I may receive that return?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I kept my word with the hon. gentleman when I promised him I would expedite that return. I may inform him that it is going to be a very lengthy report. The officers tell me that when completed it will run over 400 pages. They are working at it as expeditiously as they can and I hope to be able to table it in a day or two.

[Mr. Benoit.]

## DOMINION AND MERCHANT SHIPPING LEGISLATION

The house resumed from Monday, May 26, consideration of the motion of Mr. Lapointe:

That this house approves the recommendations of the conference on the operation of Dominion legislation and merchant shipping legislation, held in London, 1929, and considers that steps should be taken at the forthcoming imperial conference to ensure their being given effect at an early date.

Mr. SPEAKER: The reply of the Minister of Justice will close the debate.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, until the very last minutes of the debate yesterday evening it was not my intention to exercise my right of reply. The debate has, I think, been rather illuminating, conducted on a high plane, and I am quite willing to let the people of Canada decide as to the merits of the respective contentions which have been presented to the house. The leader of the opposition (Mr. Bennett), however, in his address last night made use of certain language and made certain statements which I cannot leave unanswered or unchallenged. He opened his remarks by reading a quotation from Professor Kennedy to the effect that a question like this should always be discussed free from all political leanings or partisanship, but I am compelled to say that my hon. friend did not follow that advice with conspicuous devotion. His first words were rather for the purpose of trying to belittle and even to throw ridicule upon the work of the Prime Minister (Mr. Mackenzie King) and my own modest cooperation in that respect.

Mr. BENNETT: I think not.

Mr. LAPOINTE: But immediately afterwards he took good care to claim credit for everything that had been achieved by way of constitutional reform for the leaders of the Conservative party. Let me tell my hon. friend that I gladly and enthusiastically commend the work and achievements of Sir Robert Borden in regard to Canadian autonomy and his share in contributing towards building up the imperial structure on a stable and firm basis of equality of status and nationhood. I do so with all the more pleasure because that work stands in striking contrast to, and in glaring contradiction of, the words of the hon. member for St. Lawrence-St. George (Mr. Cahan) and of the leader of the opposition himself. Listen to the language of the resolution adopted by the

Imperial War conference of 1917 of which Sir Robert Borden was a leading member:

The Imperial War conference are of opinion that the readjustment of the constitutional relations of the component parts of the empire is too important and intricate a subject to be dealt with during the war, and that it should form the subject of a special imperial conference to be summoned as soon as possible after the cessation of hostilities.

They deem it their duty, however, to place on record their view that any such adjustment, while thoroughly preserving all existing powers of self-government and complete control of domestic affairs, should be based upon a full recognition of the dominions as autonomous nations—

They were not afraid of using that word.

—of an imperial commonwealth, and of India as an important portion of the same, should recognize the right of the dominions and India to an adequate voice in foreign policy and in foreign relations, and should provide effective arrangements for continuous consultation in all important matters of common imperial concern, and for such necessary concerted action, founded on consultation, as the several governments may determine.

May I quote also these words of Sir Robert Borden in his book, Constitutional Development:

But I have never wavered in the firm and constant belief that, within the British commonwealth of nations, Canada will find her most commanding influence, her widest usefulness, and her highest destiny. With that opinion is coupled a fixed and absolute conviction that the unity of the empire can alone find its expression in complete autonomy and in equality of nationhood. A strong Canadian national spirit is entirely consistent with a firm purpose to maintain our country in a high place within the British commonwealth.

Will the leader of the opposition apply to Sir Robert Borden the words he used towards his successor—

Mr. BENNETT: Absolutely.

Mr. LAPOINTE: —for exactly the same language, for the same work? Did Sir Robert Borden let go the mooring? Did he cut the painter? Did he drift away from the little islands, to use the words of my hon. friend? As regards the other men who were associated with him at that Imperial War conference, did Hughes of Australia cut the painter? Did Massey of New Zealand let go the mooring? Did Smuts of South Africa drift from the little islands? As regards those statesmen of the empire who came later in 1926, did Balfour, whose last political work is that great achievement of having coupled his name with that magnificent report of 1926, also let go the mooring? Did Baldwin, Chamberlain, Bruce of Australia, all the prime ministers of the six nations of the empire—and I am proud to use the word—also cut the painter? Indeed, the only discordant voices have been from some opponents of the Canadian government and I am sorry to have to reach the conclusion that political partisanship seems to have been the main reason of the criticism.

They have not even been in accord with themselves in their attacks. Listen to their objections; read their newspapers and hon. members will see that one school claims that the whole thing is a sham; that nothing has been done; that no change has been effected, while the other school claims that we are on the road to disaster; that revolution is looming ahead of us; that separation is the thing that we should dread. In fact, the hon. member for St. Lawrence-St. George yesterday in the same speech propounded two doctrines. In one part he described the work of 1929 as being futile, infantile, childish, foolish. Really, I added some words to my vocabulary listening to my hon. friend yesterday. In the next breath he depicted the dangers which were on the horizon of the empire as a result of the work that has been done. That gloomy picture, which I am sorry to say my hon. friend the leader of the opposition also held up, has not even the merit of novelty. At every stage of our constitutional evolution, reactionaries have been seen opposing every reform because, they said, it was leading to separation. Every time, I repeat, the voice of reaction was raised. Yes, every step along the road to self-government was resisted as a step away from the empire and towards separation. When Baldwin and Lafontaine fought in order that parliament should control taxation and expenditure they were described as rebels leading this country to separation from the empire. They were called traitors. Sydenham, Metcalfe and Lord John Russell in their writings all took that stand. Yet who to-day will deny that those men who achieved responsible government in Canada have been the real founders of the British commonwealth? I agree with the suggestion that I heard somewhere that a monument should be erected to Baldwin and Lafontaine at the very door of Downing street because they had been the preservers of the British Empire. The winning of fiscal freedom in 1859, the right of negotiating commercial conventions, the efforts of Edward Blake in 1876 and 1877 to have the instructions to the governor generals of Canada changed in order that they might accord with the status of Canada, the negotiation and the signature of our treaties—all these were viewed with concern by those of that type of mind as manifestations of separatist tendencies. Separation, letting go the moor-

ings, cutting the painter, drifting away from those little islands—these have always been the words that have been flung in the face of the reformer in this country and elsewhere in the British Empire. Let me illustrate that by a few quotations.

In 1839—I am going back a long way—when the battles were being fought for responsible government in Canada, the select committtee of the legislative council of Upper Canada brought in a report, and listen to this:

> After an attentive and disinterested consideration of this subject, your committee are led to the conclusion that the adoption of the plan proposed by the Earl of Durham, in which this (responsible government) is the prominent feature must lead to the overthrow of the great colonial empire of England.

Opposing the Durham report. In 1843, Governor Metcalfe was writing, "the obvious consequence of the concession of responsible government will be separation," and he was saying of Baldwin and Lafontaine, "I regard their faint professions of a desire to perpetuate the connection of the colony with the mother country as utterly worthless."

In 1855, when confederation was looming on the horizon of this country and being discussed in the parliament of the United Kingdom, Mr. Dunkin, in the parliamentary debates, was referring to separation and said:

> Sir, I believe in my conscience that this step now proposed—

Mind you, that was confederation:

> —is one directly and inevitably tending to this other step; and for that reason—even if I believed, as I do not, that it bids fair to answer ever so well in the other respects—because I am an Englishman and hold to the connection with England, I must be against this scheme.

In 1882, speaking on Edward Blake's motion that Canada should have the power to negotiate commercial agreements with any British possession or foreign state, Sir John A. Macdonald declared:

> Disguise it as you will, this means separation and independence.

In 1895, the Colonial Office sent the following despatch:

> To give the colonies the power of negotiating treaties for themselves without reference to Her Majesty's government would be to give them an international status as separate and sovereign states, and would be equivalent to breaking up the empire into a number of independent states.

I am free to admit that I am disappointed in my hon. friend the leader of the opposition. After his professions of Canadianism the other day and Canada first, I did not expect that he would indulge in this—shall I say?—distortion of the motives of those who have given their best to try to solve the present difficulties and to ensure the maintenance and preservation of our great association on a stable basis. Does he not realize that this is not a unilateral document? It is not the work of Canada alone. It is the combined work of the representatives of Great Britain and the Dominions. Does he not realize that the spirit which inspired them was an earnest desire and a determination to ensure the maintenance and preservation of our great association? Does he not realize that the voice of a group of free nations united by a great bond is more powerful than that of subordinate colonies? Has he not learned from the course of English and Canadian history that the fuller the liberty, the stronger the bond becomes?

I resent deeply, and my hon. friend will pardon me for being frank about it, the implied imputation contained in the words which were used by the leader of the opposition, and I throw back the unworthy suggestion and insinuation. It is that same spirit of resistance which still manifest itself as it has done at every period of our constitutional evolution; but let me tell you, Mr. Speaker, and the people of Canada that the definition of equal status will stand unchanged and unchangeable. By claiming, as my hon. friend did again last night, that the fact that we do not amend our own constitution implies inequality of status, my hon. friend is fighting a rearguard action in the defence of his theories. How is it that those who are responsible for the work that has been done, that those who have been the pioneers, that all those who have worked to achieve reform, are satisfied with this sort of equality, while my hon. friend who is rather putting obstacles in the way is not satisfied? May I refer to one man in Canada, a journalist of prominence, the editor of an important newspaper, who has been in the forefront of the work to achieve the position which Canada holds to-day? I refer to Mr. Dafoe of the Manitoba Free Press. What does Mr. Dafoe say in his journal about this new attitude of my hon. friend? It will be found in the issue of February 28, 1930.

An hon. MEMBER: Dispense.

Mr. LAPOINTE: I must impose this upon my hon. friend; if he does not want to listen to it he will have to go away. Mr. Dafoe said:

> The Still Obstructive Mr. Bennett
>
> Mr. Bennett still elects to belong to that small and everdwindling minority which concerns itself to find excuses for casting doubt upon the doctrine of constitutional equality between Great Britain and the dominions. The

movement to establish this condition of equality, which, it should not be forgotten, must be precedent to effective cooperation by the British nations, has not been a party one. When its history comes to be written the name of Sir Robert Borden must stand very high in the list of those to whom credit is due. Indeed, when the movement is completed and the position of Canada as a coequal member of the commonwealth is accepted without question, the Conservative party, by reason of Sir Robert Borden's record, may be expected to claim the whole credit; indeed there have already been indications, as at the convention of the party held in Winnipeg in 1926, of its purpose to advance this claim. But meanwhile the party is so unfortunate as to have a leader who shows, in every reference which he makes to this question, his dislike to the movement and his desire to belittle the development.

Since the Balfour declaration of 1926 a little group of hair-splitters have been trying determinedly but ineffectively to deny the soundness of the constitutional doctrine embodied in that declaration. Their method has been simple enough. It has been boldly to deny that there is equality; to declare that the explicit statements of the 1926 report are without foundation; and to point to existing anomalies in suport of their contention. Prof. Berriedale Keith is the chief of these critics. Prof. Philip Noel Baker, of London University and a member of the present British parliament, deals very effectively with Dr. Keith and his associates in his recently published book, "The Present Judicial Status of the British Dominions in International Law." Meeting his arguments point by point, Prof Keith says it is impossible to accept his conclusions. In noting those who have associated themselves wth Dr. Keith in fighting this rearguard action, Prof. Baker includes the name of but a single public man. It is perhaps needless to say that the person thus referred to is our Mr. Bennett. Thus Prof. Baker says (page 140):

"The leader of the Conservative opposition in the Canadian House of Commons, Mr. Bennett, has made several speeches in which he has used similar language (i.e., language similar to Keith's), e.g., 'Equality of status was a high-sounding phrase, but it could not properly represent the existing position,' and he deprecated the continued use of wrong nomenclature."

It is therefore characteristic of Mr. Bennett that, having had most of his case against "equality" knocked out by the recommendations of the constitutional committee, he should, in place of accepting graciously this new way of escape from an impossible position, look around frantically for some new pretext for contending that our talk about dominion status is all moonshine, the real position being that we are still in a relation of colonial subordination. Hence his gleeful discovery, as announced in his contribution to the debate on the address, that any claim that Canada has constitutional equality with Great Britain is negatived by the fact that the Dominion parliament has not been vested with power to amend the Canadian constitution at will. The reply to this is quite simple and effective. The British parliament is not willingly retaining any control over our constitution; it is ready to turn a responsibility, which would be irksome and dangerous if it were called upon to exercise it, over to Canadian jurisdiction if the Dominion and the provinces can agree among themselves as to the methods by which the constitution is to be amended. The fact upon which Mr. Bennett seizes so hopefully relates to a purely domestic matter for which a domestic solution must be sought.

Are the Conservatives of Canada willing to have Mr. Bennett tie them up definitely to an attitude of unenlightened opposition to a constitutional development, already achieved, which is acceptable to the vast majority of Canadian people? This ungracious, stubborn attitude by Mr. Bennett towards the national status which Canada has achieved by grace of the combined efforts of public men of all parties is very tiresome to the great mass of the people of Canada, and it must be exasperating to most of his colleagues, who would doubtless be much happier in taking credit to themselves and their party for the constitutional progress that has been made.

So, as I stated, those who have worked to achieve the result which has been reached are satisfied with the present position, and I cannot understand why my hon. friend should still raise this question as implying inequality.

Fears were expressed by both the hon. member for St. Lawrence-St. George and the leader of the opposition with regard to what may happen concerning Canadian navigation and shipping. My hon. friend from St. Lawrence-St. George says that it means the sweeping away of legislation. It does not mean anything of the kind. It means the right to enact our own legislation. It means that we, as is stated in the report, want willingly to cooperate on all subjects where cooperation and concerted action are desirable. That will be done. Why distrust the people of Canada? Why distrust the parliament of Canada? The fact that we have the power of a self-governing country in shipping and navigation as well as in other spheres of legislation does not mean that we are going to exercise that power foolishly. Self-government, as I said yesterday, implies trust. Surely my hon. friend is not serious when he thinks that the first use that the parliament of Canada will make of the right of legislation will be to sweep away all the statutes which have been useful to Canadian shipping and navigation. The only change that is effected is a change from subordination to cooperation, from conflict to harmony. That is the change that is being made. My friend said: Let us proceed slowly in this matter. Then a few minutes later he blamed the government for having brought up this resolution at this late hour of the session. He says we are proceeding too fast, he beseeches us to proceed slowly, and afterward he blames us for

having waited so long to submit this resolution. We cannot wait much longer because the conference will sit in September, parliament will prorogue in a few days, and surely this is the only way in which members of the house could deal with the question.

Mr. McQUARRIE: We will be here for a month at this rate.

Mr. LAPOINTE: Yes, but apparently we should proceed slowly.

In the last part of his remarks—and it will be the last of mine—my hon. friend lectured the hon. member for Winnipeg South Centre (Mr. Thorson) and the hon. member for Bow River (Mr. Garland) and I suppose, indirectly, myself, for using the word "nation" in the description of Canada. Well, surely this will be astounding news to the Canadian people. They have heard the word used by all their leaders for a number of years, certainly long prior to the conference of 1926. My friends from Bow River and Winnipeg are certainly in good company. I should like my hon. friend to peruse this work of Sir Robert Borden, his former leader. The word "nation" is the only one which is used by him to express what Canada is among the countries of the world. Shall I quote a few sentences? I think it is useless, but the word appears on every page. My hon. friend referred to the legal meaning which may be attached to it, and he says that the word should not be used. Will hon. members permit me to quote the words of the Hon. Charles Doherty, who was Minister of Justice during the whole term of the Borden government? Hon. members will find these words quoted in Hansard of 1927 at page 1703:

> It has not been claimed on this side of the house that this treaty—

Meaning the peace treaty.

> —made Canada a nation; nor has it been claimed that anything that happened at the Peace conference made Canada a nation. Canada has grown to nationhood and Canada is a nation; and she does not go seeking anywhere to any of the allied or associated powers, to any foreign power, to Great Britain herself, to the entire Peace conference, to confer upon her the gift of nationhood.

Later in the excerpt I find:

> Nationhood is a matter of fact; it is not a question of what is written in a statute book or what is declared by one nation in relation to another.

Then at a later time he stated:

> I have referred to the recent discussion with regard to the aviation law. Over in Great Britain they recognize our national status and that constitutionally the whole field of government of Canada is ours. It is only in this country that you find the little man who wants to hang on to the colonial status of his country and to insist that she is subordinate to and to be governed by another portion of the empire. However great that portion may be—and we all respect it, we all recognize what she was the source of for us all, and we shall all be happy to recognize her as the first among these equal nations—we contend that, as a matter of fact, we stand as an equal nation within the empire.

Mr. POULIOT: May I ask a question? Does the hon. gentleman remember that after the Minister of Finance made his speech on the budget the words "Canadian nation" came from the lips of the leader of the opposition, but they were not recorded in Hansard the day after?

Mr. LAPOINTE: I could mention many similar statements indeed. If the rules of the house would permit me I would mention a statement contained in a message sent to the people of Canada on the sixtieth anniversary of confederation. All those high authorities surely did not want to let go the moorings; they did not want to cut the painter; they did not want to drift away from the little islands in the North sea, as my hon. friend so eloquently stated last night.

Canada is a nation; she may hold her head high because of the part she played in the world war and because of her work in all national, political, social and international fields, because of her sacrifice and because of the respect in which she is held by all foreign nations. Canada is a nation; she will not recognize those who refuse to work with her on terms of nationhood; she will not permit them to shape the thoughts and the policies of the Canadian people.

Mr. BENNETT: Mr. Speaker, I did not desire to interrupt the remarks of the hon. gentleman, but he must have known that he put the wrong interpretation upon one observation I made. As he knows, I was referring to the legal definition of the term "nation," and he also knows that the authorities are clear that there can be no nation, in the sense in which it is judicially interpreted, unless it be an independent sovereignty. My hon. friend knows as a matter of law that my contention is correct; I used the word nation just as he used it and as we use it frequently —in the colloquial sense. The judicial interpretation is and always has been that there can be no such thing as a nation, either in international law or domestic law, unless there be a sovereignty.

Mr. POULIOT: So the hon. gentleman meant nothing when he used the word "nation"?

Motion agreed to.

## BRITISH NORTH AMERICA ACT

### CONFIRMATION OF AGREEMENTS FOR TRANSFER OF NATURAL RESOURCES TO WESTERN PROVINCES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that a resolution and humble address be presented to His Most Excellent Majesty the King, in the following words:

We, Your Majesty's most dutiful and loyal subjects, the (Senate and) Commons of Canada in parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submitting a measure to the parliament of the United Kingdom of Great Britain and northern Ireland to amend the British North America acts, 1867 to 1916, the four agreements in the schedule hereto set out being scheduled to such act and the said act being expressed as follows or to the following effect:

An Act to Amend the British North America Acts, 1867 to 1916

Whereas the four several agreements in the schedule set out were entered into between the government of the Dominion of Canada and the governments of Manitoba, British Columbia, Alberta and Saskatchewan respectively on the dates which the said several agreements respectively bear;

And whereas each of the said agreements has been approved by the parliament of Canada and by the legislature of the province to which it relates;

And whereas subsequently to the execution of the agreement with the province of Alberta it was agreed that in addition to the rights accruing thereunder to the said province, it should be entitled to such further rights, if any, with respect to the subject matter of the said agreement as were required to be vested in the province in order that it might enjoy rights equal to those confered upon or reserved to the province of Saskatchewan under any agreement upon a like subject matter thereafter approved and confirmed in the same manner as the said agreement with the province of Alberta, and provision accordingly was made by the parliament of Canada and by the legislature of the province;

And whereas each of the said agreements provides that the same shall come into force only after it has been confirmed by this parliament, and the Dominion of Canada has requested and consented to the enactment of this act;

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, as follows:

1. The said several agreements are hereby confirmed and shall have the force of law respectively notwithstanding anything in the British North America acts, 1867 to 1916, or any order in council or terms or conditions of union made or approved under any of the said acts, or in any act of parliament of Canada.

2. The agreement with the province of Alberta in the schedule hereto contained shall have the force of law as aforesaid, subject to the proviso that in addition to the rights accruing thereunder to the said province, the said province shall be entitled to such further rights, if any, with respect to the subject matter of the said agreement as are required to be vested in the said province in order that it may enjoy rights equal to those which may be conferred upon or reserved to the province of Saskatchewan under agreement with such last mentioned province in the schedule hereto contained.

3. This act may be cited as the "British North America Act, 1930" and the British North America acts, 1867 to 1916, and this act may be cited together as the "British North America acts, 1867 to 1930."

All of which we humbly pray Your Majesty to take into Your favourable and gracious consideration.

He said: The purpose of this address is apparent from the text. It is to ask the British parliament to confirm and thereby give force and effect to the agreements which have been entered into between the government of Canada and the legislatures of Manitoba, Saskatchewan, Alberta and British Columbia. These several agreements have been approved by this parliament and by the several legislatures I have mentioned. They have been approved, without a division, by both houses of this parliament and for that reason I think it unnecessary at this moment to do more than indicate the purpose of the address in order to express the belief that it too will be passed with like unanimity.

My hon. friends will realize that at the moment we are amending the British North America Act; in other words, Canada is now engaged in the process of amending her own constitution in so far as that step has become necessary under the agreements into which she has entered. The part played by the parliament at Westminster is at the instance of this parliament; the parliament at Westminster lends its good offices, so to speak, to enact what in accordance with our method of proceeding is essential to give force and effect to the agreements. That, however, in no way lessens the significance of the amendment of the constitution being our own amendment and made in accordance with our established method of procedure. The parliament at Westminster, of its own initiative, would never think of attempting to make an amendment to our constitution. It acts in these matters as an agent of the government of Canada.

Hon. R. B. BENNETT: The observations of the right hon. the Prime Minister lend

point and substance to the debate which took place yesterday in this house. It is now realized that without the action of the Imperial parliament at Westminster the Canadian parliament cannot amend its constitution. It is now made clear that we must ask another body three thousand miles away to pass a statute in order that our action may be made legal or valid. I had not expected proof of my contention to come so quickly from the government side of the house. The right hon. gentleman, with his usual astuteness, and anticipating the attitude of hon. members on this side of the house, said that we are now engaged in amending our constitution. And that is true; we are passing an address to ask the parliament in London to do that particular thing for us.

Mr. MACKENZIE KING: That is the proper method of procedure.

Mr. BENNETT: That is what we are asking them to do, and that coincides exactly with the remarks I made yesterday. Hon. gentlemen will notice that the legislation we are asking the British parliament to pass is in these words:

> Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the lords spiritual and temporal, and commons, in this present parliament assembled, and by the authority of the same, as follows:

So far as I know the Lords Spiritual and Temporal hold office in Great Britain, not in Canada. The House of Commons that is referred to is the House of Commons sitting in Great Britain. So we now have complete and absolute proof upon the records of this parliament that by the constitutional changes that give us so-called equality of status we cannot amend our own constitution as can Australia, as can South Africa and as can Great Britain itself. That is the story.

I find it difficult to understand the warmth with which the Minister of Justice was dealing with this phase of the matter when he was considering another subject, but let there be no misunderstanding. Surely hon. members opposite do not insult the intelligence of the ordinary man on the street by asking him to believe there is an equality when the word "equality" means just what it says, the power to do the same thing, and we have not the power to do the same thing as England does, as Australia does and as South Africa does in the manner and form by their constitutions prescribed, which I will not take time to discuss at present.



We are solemnly sitting here, the elected members of the House of Commons, asking by petition of this house and the Senate that the parliament of Great Britain may be pleased to act as we request, and at the close of the petition we find these words:

> All of which we humbly pray Your Majesty to take into your favourable and gracious consideration.

That is, we are asking that a parliament three thousand miles away may be pleased to do it. Suppose no one introduces the measure; then what happens? Suppose no one in the parliament of Great Britain introduces this matter into the House of Commons or the House of Lords. What is the result? The Minister of Justice will make a speech on equality of status, and in perfervid eloquence declare to the Canadian people that this is so or it is not so because he, the Minister of Justice, has said so. I do say this to the minister: It is just such observations as have been made here this morning and as the Prime Minister has made about the equality of status of Canada, when it is not so, that make Canadians question the sincerity of the government in the whole matter, because they are presuming upon the Canadian people when they make that statement. After all, there is some intelligence in Canada and people will not be deluded by observations made by any man, however important he may be, when he says things are equal when they are not equal. You cannot do it that way.

It is true that the British parliament will do as this parliament asks, or at least we assume that to be so, but supposing they do not do so? Who is going to introduce your bills? Someone must do it; someone in that parliament must take the responsibility of seeing that the bills are introduced and passed, that a majority is secured in their favour and that they are enacted, and all the sophistry in the world, all the casuistry in the world cannot get away from the fact that to amend our constitution, to give validity to the transfer of the resources to western Canada, to make legal that which is now illegal, we have to go to a parliament three thousand miles away. You cannot get away from it. It is a significant circumstance that on the same morning when a minister of the crown solemnly declares that there is equality of status between Great Britain and Canada, within the next few minutes the Prime Minister of the country moves that a humble petition be sent to His

Majesty the King, praying that he have his parliament at Westminster enact legislation to give validity, life and form to something which to-day is not worth the paper on which it is written, because we have not the power to do that which we have done, and are now seeking ratification of the Imperial parliament. That is what causes distrust of the whole action of the government; that is what makes people ask, "What does this mean, when men go about and talk in these terms about equality when they know there is none, when they know that the essence of nationhood is the right to amend its own constitution." Why the attempt to deceive; why not at once say frankly that we use these words in the broad and colloquial sense? We know that as a matter of law this is not so; we know that any court that might consider the question would have to decide otherwise; we know what the legal position is, but we use these terms as I have used them from my youth in referring to Canada as a "nation," referring to the "status" and referring to these matters in that sense. When, as yesterday and this morning, we are dealing with matters which touch legal questions, then precedents, authorities and judgments govern, and you cannot give to words meanings they do not legally possess in order to attach significance to a phrase which will not bear judicial interpretation in the sense suggested.

That is the reason I said to the minister what I did say in connection with this matter some days ago. I gravely doubt whether we should proceed in this way. Once more I venture to fight a rearguard action, in the language of the Minister of Justice, when I point out to him that it has not been customary to deal with constitutional matters in this way. Constitutional matters usually have been dealt with in the form of a statute which embodies the arrangement or agreement which has been entered into. It was so in the original British North America Act, and it has been so in the different amendments which have been made to that act. We are now ratifying agreements, but part of those agreements require no ratification. I put this to the Minister of Justice as a suggestion which I think he, as a lawyer, will regard as important: If we make the agreements in question a part of our constitution when portions of the agreements require no confirmation because they deal with purely domestic matters, but do they not hereafter become a part of the constitution, and are they not only amendable in the manner in which the constitution can be amended? There is a section in the agreements which declares that any matter referred to in the agreements may be dealt with by an understanding between the parties concerned, that is, between Alberta and the Dominion, between Saskatchewan and the Dominion and between Manitoba and the Dominion. But that only refers, as I take it, to limited portions of the agreements and if the hon. gentleman will look at them he will see that the limitations to which I refer are thus expressed. I will say this, that not before in the history of British institutions has a constitutional change been made by the confirmation of agreements; such changes have heretofore been embodied in legislation, as in the Manitoba Act. The government takes the responsibility in this matter; the Minister of Justice, the chief law officer of the crown, is satisfied in that regard and therefore the motherland. Now I am merely speaking as a member of parliament, not in any sense as the leader of a party; I am making a suggestion to him as one lawyer to another. I suggest that this is not the way in which it has been done.

Just here I might point out one other matter. Those who read history and endeavour to form conclusions and draw inferences all realize that a day, a year, or fifty years in the life of a state are as nothing; all we can do is to endeavour as best we can to conclude that certain things done to-day will, years hence, have a result which we believe will be injurious or beneficial to the body politic. The immediate consequences are not of concern; what is of vital concern is the effect upon the body politic in the years that are to come, and in that regard I have some measure of pride and satisfaction in looking back upon the rearguard actions I have fought, for, by a strange circumstance, the results which I predicted would come about in connection with what has been done have usually occurred. I know not why that is so; I only know that has been the case. When I ventured, twenty-five years ago, to point out in connection with these resources what the inevitable result would be, I can remember one of the friends of my hon. friends saying, "We have heard the last of you. This country is going to have the money, and the resources are nothing." When I remember the vociferous cheers of those hon. gentlemen in those days; when I recall the scoffing and the scorn which they expressed, for our demand that the new prov-

inces should be granted their resources I take some pride and satisfaction in thinking that where the vanguard camps to-day the rear will march to-morrow.

Mr. MORIN: The hon. gentleman's argument was that Canada could not claim nationhood because it had not the power of amending its own constitution. At the same time he acknowledged that Australia enjoyed that power, and therefore, we must infer from his statement that Australia has a higher status than has Canada.

Mr. BENNETT: I said that that was one of the badges of nationhood, using the words of my hon. friend, but it is not the only attribute of nationhood. Nationhood, as it was defined last night—perhaps the hon. gentleman was not present—is really synonymous with an independent state. The right of amendment of a constitution is one of the determining factors as to whether or not a community is a nation, but it does not make it a nation.

Mr. LAPOINTE: Mr. Speaker, I will not refer to the first part of my hon. friend's remarks, because I dealt with that matter both yesterday and to-day. I can see that my hon. friend is fighting a rearguard action. I would inform my hon. friend that the form of the address was carefully considered, as well as the bill to be enacted by the Imperial government. These matters were considered not only by the officers of the department, but by outside counsel, and they have been submitted to the various law departments of the provinces concerned.

Mr. MacLAREN: Has the consent been obtained of those provinces not directly interested in this address, that is to say, has the concurrence been received of the provinces other than British Columbia, Alberta, Saskatchewan and Manitoba?

Mr. MACKENZIE KING: All the provinces of Canada are at the present time represented in this house, and I assume that there will be unanimity on the part of this house in the matter of this address as there has been with respect to the agreements themselves. The provinces of Canada were represented at the Dominion-provincial conference, both by their premiers and members of their administrations. Among other subjects considered and discussed at that conference was this very question of the return of the natural resources to the western provinces. The view then expressed by the representatives of the other provinces seemed to be that the treatment of these western provinces should be liberal and cordial. I do not think it is necessary to have any formal submission of this address to the other provinces before this parliament takes action upon it. It relates exclusively to the western provinces, and should the other provinces have any matters to be discussed growing out of what we are now doing, those matters will receive every consideration.

Mr. MacLAREN: I cannot agree with the view put forward by the Prime Minister (Mr. Mackenzie King). The British North America Act first received the assent of all the provinces, and I submit that the forwarding of this petition by this parliament does not represent the views of the provinces in the sense that it is expressing the acquiescence and concurrence of the provinces concerned. I contend that amendments to the British North America Act, especially those of the importance of the one we have before us, should be submitted not in an informal but in a very official way to all the provinces in order to obtain their concurrence therein, or to give them an opportunity of expressing objections. The procedure now suggested is contrary to both confederation and the British North America Act. It is not following out the spirit in which that act was framed; it is not giving to the provinces the opportunity of expressing objection or acquiescence. I do not see how it can be considered that the simple passage by this house of this petition represents the will of the provinces. Therefore, Mr. Speaker, I enter my protest that a petition of this character should be forwarded without consulting all the provinces of the Dominion with a view of obtaining their assent thereto or their objections.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I have no desire to delay these proceedings, but I feel that I should reiterate what I said when the agreements were before the house. After an agreement had been concluded with the province of Alberta, satisfactory both to the Dominion of Canada and to the province, the government of Saskatchewan succeeded in wresting from this government more favourable terms; and we now ask the British parliament to adopt legislation by which the province of Alberta will be given something which it has not asked for. That shows the weakness of the posi-

tion which was created by this government agreeing to give to Saskatchewan something more than Alberta had asked for, and something more than I think was necessary. That is my first objection.

My second objection is that a wrong principle is introduced herein. It is a wrong policy to introduce into an agreement the principle introduced herein, that an act enacted by this parliament, even though reenacted or ratified by the British parliament, shall not be final. We thus open the way for litigation upon the agreements which we have concluded.

I think also there is something in the point raised by the hon. member for St. John-Albert (Mr. MacLaren). I would remind him and the other representatives from the maritime provinces that at all times they have my deepest sympathy, because I think those provinces have been made the victims of confederation. However, I remind him also of the very lucid interpretation which was put upon the constitution by Lord Haldane. I do not remember the particular case—I am sure the hon. leader of the opposition (Mr. Bennett) would remember it—but it originated in Australia. His Lordship made an extremely interesting, and from my humble layman's point of view, a most conclusive comparison as between the constitutions of Australia, Canada and South Africa. He pointed out how mistaken many Canadians are in referring to the British North America Act as a contract, when in fact it was only the result of a contract. The old colonies agreed to renounce their existence, they laid down the terms under which they were prepared to enter into confederation in the form of provinces, and they sent that contract to London; but there it was amended greatly by the various representatives of those colonies, and finally the British parliament passed a statute which differed from both the contract passed in Quebec and the London treaty.

Mr. BENNETT: Prepared by the British draftsmen on the strength of the reprsentations made.

Mr. BOURASSA: I admit that, but nevertheless—and I think this was Lord Haldane's conclusion, and I believe it was right—once that law was passed, the old colonies lost their identity—they became provinces under the new law, just as the Dominion was created under the same new law. The powers of each are defined by the statute itself, and no further reference can be made to the contract as against the letter and spirit of the constitution itself. Of course, history records how both the contract and the legislation were imposed upon the people of the maritime provinces; and I quite realize they should be very sensitive in regard to anything which may look to them as a further abandonment of what they claim as their rights. But in regard to this I think the way is quite clear. The government of any of those provinces can have representatives before the British parliament and make such opposition to the enactment of these agreements as it may think fit. It may plead before the committee of the House of Commons in England what it considers to be an abridgement of its rights or claims in equity, as they were presented here during the debate on the agreements. That can be done; but I do not think we could agree in this house to renounce our right to make an agreement with various provinces upon matters concerning only those provinces, afterwards asking ratification by the British parliament in concurrence with the provinces immediately interested. Any individual, so far as that is concerned, may go before the British parliament and have his views presented to that body as against these agreements or any amendment of the constitution.

This brings me to the point made by the leader of the opposition (Mr. Bennett), and I think it is worth while looking into it also. There is no doubt something rather ludicrous in the contrast between the debates that have preceded, on the national status of Canada, and the debate on this motion. There is not the slightest doubt that so long as we submit to the exercise of imperial jurisdiction over our constitution, or upon any agreement that we may make with the provinces or with one or more of the provinces, it is absurd to talk of Canada having attained her full national status. But where I think the solution is to be found is in the comparison between two very simple words, that is, the word "right" and the word "power." Undoubtedly the leader of the opposition is quite right as a lawyer when he says that so long as we do not exercise the power of amending the constitution, there is something childish and ludicrous in our parading our title as a nation. This looks very much like a boy who would catch hold of his father's military uniform and sword and parade himself as a general because his father, being a general, has received from his commander a military uniform, a plumed hat and a sword.

Mr. RYCKMAN: Is it not against the rules of the house so to characterize the Minister of Justice?

Mr. BOURASSA; I am not characterizing the Minister of Justice. I am characterizing the Canadian nation, whether it be the Minister of Justice, Sir Robert Borden or myself, because I have spoken very often concerning the matter. I admit there is something childish in our attitude, but at the same time it is by repeating it that one of these days we shall make good our rights. That is what I come back to. In a previous debate, I think at the opening of this parliament—and I do not want to refer to a past debate except by way of illustration—the Prime Minister (Mr. Mackenzie King) put the matter quite clearly when he said in effect—and it has been stated time and again outside the house also, and quite rightly:—we have not yet chosen to exercise our undoubted right to amend our constitution according, of course, to the spirit under which it was framed, that is, after agreeing with the provinces as to the manner in which those powers which belong to both jurisdictions or those which belong to only one of them, should be treated. After we have agreed with them, it remains with ourselves to take action, and nobody in England would contradict or interfere, not even Mr. Keith. In Mr. Keith's latest book there is a somewhat melancholy but very clear admission that in the conference of 1926 and in the last conference of 1929 we have made much headway. There is not the slightest doubt that the day the parliament of Canada and the provincial legislatures would assert their will to exercise their right of amending their constitution without going to Westminster, no word would be uttered in London against that action. Further, it would not take long before we made our position good before the Imperial parliament as regards the exercise of that power. I remember an opinion expressed as far back as twenty-eight years ago, I think it was, again by Lord Haldane, when he said that it was becoming clearer and clearer every day that in regard to passing legislation at the request of the various colonial legislatures as they were still called, it was realized that the Imperial parliament was exercising a mere power of trusteeship and had nothing to do but to legislate in the manner suggested by those various parliaments.

Mr. THORSON: Legislative action would be automatic.

Mr. BOURASSA: Well "automatic" may be a little too strong. Not with the idea of extending the debate that has passed before this motion, but precisely in conjunction with this motion and the suggestion made by the hon. member for St. John-Albert (Mr. MacLaren), let me point out the situation which may arise: supposing the governments of Nova Scotia and New Brunswick, at the next session of the Imperial parliament, when this legislation comes up, make solemn protest against the passing of the legislation; supposing they convince a majority of the members of the Imperial parliament that this agreement is doing an injustice to the people of the maritime provinces: would anybody deny that the Imperial parliament would have both the right and the power to decide as between the claim of Canada in conjunction with Alberta, Saskatchewan, Manitoba and British Columbia, and the counter claims of the maritime provinces?

Mr. THORSON: Not a constitutional right.

Mr. BOURASSA: Why? Supposing the governments of the maritime provinces demonstrate that, while they have not any possible access to those natural resources which were or which at least some people hold to have been the property of the people of Canada, the parliament of Canada is divesting itself of the rest of those resources after having handed over a large portion of them to Ontario and Quebec without an inch of territory being given to the maritime provinces; supposing the maritime provinces make their claim in equity before the Imperial parliament: will anyone deny that the Imperial parliament will have both the right and the power to say that as regards these agreements, especially after we have handed over to Quebec and Ontario such a large portion of those territories, the legislation should not pass until we have compensated the maritime provinces? I do not say that this should be done as a matter of equity, but I say that the British parliament would certainly have a right to say: So long as the people of Canada, through their various political powers, federal and provincial, have not chosen to exercise to the full their right of sovereignty over their constitution; so long as they choose to make us the final legislative arbiters, so to speak, in such matters, we have to consider Nova Scotia, New Brunswick and Prince Edward Island just as much as Alberta, Manitoba, Saskatchewan and British Columbia, and just as much as the Dominion of Canada. So long as we rely upon the final exercise of legislative power by the Imperial parliament, surely we must be prepared to expect from that parliament the exercise of a duty which we would ourselves have to exercise if we had to decide between two or three different contentions presented to us by governments, corporations or individuals.

I repeat, I am not making these remarks to obstruct or retard the passage of this measure, but I am afraid that in the last few years we have developed the habit of giving a great deal of time to comparatively small questions and questions of money, and then leaving till the last two or three days of the session the greatest questions of state which should be most carefully considered because their consequences in the future may be very far-reaching, either as regards the relations between the Dominion and the provinces or the relations between the various provinces themselves. I thought it was my duty to suggest that the question was not so simple as it has been regarded; but at the same time I would not like to put myself along the same line of thought adopted by the hon. leader of the opposition, who seems to consider that this question of constitutional amendments is one that we cannot solve. We can solve it. We can exercise our rights, and therefore we can make the power in conformity with the right, make the fact conform with the theory. But so long as we have not done it, so long as for reasons good or bad, such as have been expressed time and again, by the premier of Quebec, Mr. Taschereau, whose views I respect but do not share—so long as you have people east and west who imagine that Canada is not just enough, that Canada is not manly enough, to exercise its nationhood to the full, that we must rely upon a foreign tribunal to pass final adjudication upon our legal quarrels, upon a foreign parliament to give the final touch to our most important pieces of legislation, then we must be prepared to accept some of the consequences, nay, all the consequences, of that state of fact which wisely or unwisely we choose to keep in being.

That was suggested to me partly by the argument made by the hon. member for St. John-Albert (Mr. MacLaren). We of the west or of the central parts of Canada, are too apt to forget the dire position in which the maritime provinces find themselves. They have been, I repeat, the victims of confederation. They have paid practically all the penalties of the confederation pact, with very little compensation; and as far as I am concerned I would view with sympathy some means being taken by those provinces to assert their rights. I suggest humbly and in a friendly way to my friends of the maritime provinces—I think they know the sincerity of my feelings—that they should induce their provincial governments to take direct action and send their delegates to London to place their views before the Imperial parliament. They would then have at once the advantage of having their views properly aired and, as well, a declaration by the Imperial parliament as to whether that body still considers itself as the arbiter between the various provinces of Canada, or as between the Dominion and those provinces.

Mr. FINLAY MacDONALD (Cape Breton South): I want to join with the hon. member for St. John-Albert (Mr. MacLaren) in protesting against this legislation going through until the question is decided whether or not the maritime provinces have any right to those lands. They claim that they have. They may be wrong. Their claim is opposed by our friends from the west. I say that that claim should be determined before this thing passes irrevocably out of our hands. The present assurances do not go far enough. They are the same assurances that were given to our representatives in 1912, that when the matter came to be discussed and the lands were given over to the western provinces, the claims of the maritime provinces would be recognized. That time has come and those claims have not been recognized. The hon. member for Labelle (Mr. Bourassa) has enlarged on the point that I had in my mind, that it will be the duty of the three maritime governments to appear before the Imperial parliament and oppose the passage of this legislation until that claim is settled one way or the other. It may be that we have no claim. Very well; let us have it decided; and then the people of the maritimes will be satisfied. But until that question is settled I believe that the people of the maritime provinces will feel that they have been unjustly treated in this matter.

Motion agreed to.

Mr. MACKENZIE KING moved that the said address be engrossed.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate to inform their honours that this house has passed an address to His Most Excellent Majesty the King, praying that he may graciously be pleased to give his consent to submitting a measure to the parliament of the United Kingdom to amend the British North America acts, 1867 to 1916, in the manner set forth in the said address hereto attached, and requesting that their honours will unite with this house in the said address by filling up the blank therein with the words "Senate and."

Motion agreed to.

## HALIBUT FISHERIES

### CONVENTION BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Secretary of State for External Affairs) moved that the house go into committee to consider the following proposed resolution:

That it is expedient that parliament do approve of the convention between Canada and the United States for the preservation of the halibut fishery of the northern Pacific ocean and Bering sea, Ottawa, 9th May, 1930, signed in respect of the Dominion of Canada by the plenipotentiary named therein, and that this house do approve of the same.

He said: In 1923 a treaty was made between the United States and Canada for the purpose of protecting and preserving the halibut fisheries in the northern Pacific ocean and Bering sea. One of the provisions of that treaty was to the effect that an international fisheries commission should be appointed, which commission would have the power to study the life history of the halibut, to report the results of its investigation, and also to make recommendations in the nature of regulations for governing the fishing for halibut in those waters. The international fisheries commission took a period of some three years to make the investigation and reported that the halibut fisheries were being seriously depleted. It made important recommendations for the preservation of the halibut, and these recommendations were approved, so far as Canada is concerned, by order in council in 1928. It was thought that that was all that was necessary to give effect to the recommendations on behalf of Canada. The United States government, however, felt that something more in the way of authority was necessary for the United States to give like effect to the recommendations, and suggested that the former treaty should be modified in a manner which would embody the recommendations. That is what has been done, and the treaty which I laid on the table a day or two ago, and which the house is now being asked to approve, is virtually the treaty of 1923, as it was but embodying as well the recommendations of the international fisheries commission.

These recommendations are embodied in the following provisions of the treaty:

(a) divide the convention waters into areas;
(b) limit the catch of halibut to be taken from each area;
(c) fix the size and character of halibut fishing appliances to be used therein;
(d) make such regulations for the collection of statistics of the catch of halibut including the licensing and clearance of vessels, as will enable the International Fisheries Commission to determine the condition and trend of the halibut fishery by banks and areas, as a proper basis for protecting and conserving the fishery;
(e) close to all halibut fishing such portion or portions of an area or areas, as the International Fisheries Commission find to be populated by small, immature halibut.

Mr. BENNETT: Licensed by whom?

Mr. MACKENZIE KING: Under the authority of the commission.

Mr. BENNETT: I was a little uncertain about that.

Mr. MACKENZIE KING: I may say the closed season has been extended under this treaty to commence on the first of November instead of the fifteenth and to continue as formerly to the fifteenth of February inclusive. Those, I think, are all the essential features of the new treaty.

Mr. SHORT: Have any important changes been made in the former treaty?

Mr. MACKENZIE KING: I have just indicated one important change—the closed season has been extended by fifteen days. The present treaty embodies a number of the recommendations of the joint fisheries commission. These recommendations had been approved by order in council so far as Canada is concerned, but to meet the desires of the United States government in the matter of sufficient authority they have now been put in the form of a treaty.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, last summer when I had an opportunity to visit Prince Rupert I went down to the boats and observed the operations in connection with the landing of the halibut catch and its treatment in cold storage for the purpose of ascertaining something in connection with the industry. The truth is that the fish are being absolutely destroyed. I found that halibut do not attain a reasonable size until their seventh or eighth year; some live to an age of thirty-five or forty years. Formerly halibut were caught weighing over four hundred pounds. Now the halibut from the open sea are being caught, brought into port and shipped in bond to the United States, principally to Boston, and this affords considerable traffic for the railways. Our fishermen get for their halibut a smaller price than the Americans get for their catch because of the duty against the importation of halibut into the United States. That is the basis, I assume, of the suggestion made the other day that there should be a countervailing duty in respect to fish.

Although I had heard a great deal about it before I went to Prince Rupert, I satisfied myself from the questions which I asked and from what I saw while there that unfortunately heretofore the provisions of the treaty have not been fully observed. In other words, the patrol has been inadequate, and being inadequate has been ineffective. I regret to say the fishermen told me that the industry was really threatened with extinction, and that unless very drastic action were taken to enforce the regulations the result would be extremely serious. I think we realize how desirable it is that the halibut fishing industry in the north Pacific should not be destroyed. Halibut is one of the best food fishes in the world, and it is in constant demand by our friends to the south. The extension of the closed season, I think, from the information I gathered at Prince Rupert, will improve conditions and I only desire to impress upon the government the very great importance of insisting on the regulations under the treaty being respected, and that without fear, favour or affection we should prosecute those who violate them. The member for Skeena (Mr. Brady) placed upon Hansard a year ago—I daresay hon. members will recall the occasion —a story in connection with the enforcement of the treaty regulations. I took the trouble to make some inquiries at the time, because it struck me that if what he related were repeated frequently it would result in the entire extinction of halibut in the northern Pacific.

I welcome this treaty as an advance on the former treaty. I hope the extension of the closed season and the establishment of areas in which no fish shall be taken will to some extent at least meet the difficulty. Under the circumstances I would impress upon the government once more how desirable it is to enforce the law. I am confident they may count upon the support of every Canadian who is interested in this great fishery in seeing that the law is observed and the treaty respected, and that no reasonable expenditure will be too great if it has the effect of maintaining the halibut fishery for posterity.

Mr. J. C. BRADY (Skeena): Mr. Speaker, permit me to say a few words on this very important treaty. The very fact that two nations decide to enter into a treaty presupposes the importance of the subject matter dealt with. Undoubtedly the halibut fishing industry is of very great importance, not merely to Canada but also to the United States. I have read the treaty as brought down yesterday. I am in perfect accord with the efforts made to conserve the greatest fishing banks at present in the world. If hon. members have read the story of our Atlantic fishing grounds they will recall that many years ago halibut existed in abundance on the great fishing banks of the North sea; to-day they are non-existent. We find that, steadily, for the last twenty years halibut which was caught in abundance off cape Flattery, many years ago, were decimated in that area, and then Hecate straits, became the great centre of our halibut industry and continued to be so for a period of ten to fifteen years. Once more the scene changed. To-day the halibut fishermen have to travel right to the extreme end of Alaskan boundaries; they have to go as far as Kodiak, and beyond, even to Unalaska near the Behring sea. That being the case we must realize the gravity and importance of this treaty renewed between two great nations.

I do regret however that in the text of the treaty the government has overlooked a very important matter in respect to the halibut situation. At the present time the great weight of power, wealth and control of these fisheries is not in Canadian hands and has not been for years past; it is in the hands of Americans. They have the wealth and the power, and through these sources they have obtained almost complete control of this great and important fishing industry. For example, last year in the port of Prince Rupert over 30,000,000 pounds of halibut were landed, and of that poundage 20,000,000 pounds came in American vessels. For some reason or another it is a very easy matter to have the press misrepresent what one is trying honestly to represent to the public. What I said last year, and what I repeat this year, has nothing to do with retaliation upon the United States; it is simply a question of equality and fair dealing between the two countries which have made this treaty. I want to impress upon the government the fact that in our salmon fisheries we have a large area of neutral waters; strictly speaking these should be part of the Canadian waters. I refer to the great Hecate straits lying between Queen Charlotte islands and the mainland of Canada. What happens in connection with this fishing ground? Every year hundreds of American fishing vessels enter our harbours and violate the sacred treaty which was entered into years ago between the United States and Canada. I gave evidence of this last year. The result is that in every phase of this great and important industry the Canadian fisherman has not the rights to which he is entitled, while on the other hand the American nation realize the importance and the greatness of the fishing industry and

are ever alert to get every advantage. So important is the fishing industry and so great the demand of the American public for fish that we can never hope to supply it. Fish is one of the most important foods consumed by the American people. I may be too late, but I ask the Prime Minister to make one more effort to secure for Canadian fishermen, their rights in connection with this important industry. A few weeks ago, I placed before this house certain facts; they are facts which can be authenticated by any one who desires so to do. Canada has in Prince Rupert a wonderful port on the Pacific coast, and it is the only port at which American vessels can deliver their fish and have them sent with expedition to the great markets of the United States. The result is that the American fishing vessels bring their fish to that port, and they do not pay a single cent; they are charged only one dollar for the licence to fish, and they receive the full benefits of the port. They are allowed to ship their fish from that port in bond; they seek Canadian ports as a shelter from storm; they receive all the benefits we can confer and in return we receive practically nothing.

I urge the government in pursuance of this treaty to try to impress upon the United States the necessity of a fair deal in a matter which has a profound interest both for that country and Canada. That is all I ask.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate informing their honours that this house has adopted a resolution approving of the convention between Canada and the United States for the preservation of the halibut fishery of the northern Pacific ocean and Bering sea, Ottawa, 9th May, 1930, signed in respect of the Dominion of Canada by the plenipotentiary named therein; and that the clerk do carry the said message to the Senate.

Motion agreed to.

At 1.05 p.m. the house took recess.

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The house resumed at three o'clock.

## PRIVATE BILLS COMMITTEE

Tenth report of the select standing committee on miscellaneous private bills—Mr. Glen.

## SUPPLEMENTARY ESTIMATES FOR 1930-31

A message from His Excellency the Governor General transmitting further supplementary estimates for the financial year ending March 31, 1931, was presented by Hon. Charles A. Dunning (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### DAIRY INDUSTRY—STATISTICS

Mr. TOBIN:

1. How much creamery butter was produced in Canada in the calendar years 1928-1929?
2. How much dairy butter was produced in Canada in the calendar years 1928-1929?
3. How much butter was exported from Canada in the calendar years 1928-1929?
4. How much butter was imported into Canada in the calendar years 1928-1929?
5. What was the consumption of buttter per capita in Canada in the calendar years 1928-1929?
6. Is any substitute for butter permitted to be imported, manufactured or sold in Canada?
7. Is it permissible to renovate butter under the existing Canadian laws?
8. How much milk was produced in Canada in the calendar years 1928-1929?
9. How much milk was exported from Canada in the calendar years 1928-1929, and to what countries?
10. How much cream was exported from Canada in the calendar years 1928-1929, and to what countries?
11. What was the per capita consumption of milk in Canada in the calendar years 1928-1929?
12. What was the number of dairy cattle in Canada in the calendar years 1928-1929?
13. What was the average milk production per dairy cow in the calendar years 1928-1929?
14. How many farmers in Canada are interested in the dairy industry?
15. What was the average price of butter, cream and milk in Canada, by months, during the calendar years, 1928-1929?

Mr. MALCOLM:

1. Canada's production of creamery butter, calendar years 1928-1929, was—

| | Pounds |
|---|---|
| 1928 | 168,027,039 |
| 1929 | (not available) |

2. Canada's production of dairy butter, calendar years 1928-1929, was—

| | Pounds |
|---|---|
| 1928 | 90,000,000 |
| 1929 | (not available) |

3. Canada's domestic exports of butter, calendar years 1928-1929, were—

| | Pounds |
|---|---|
| 1928 | 1,994,800 |
| 1929 | 1,400,400 |

4. Canada's imports of butter, calendar years 1928-1929, were—

| | Pounds |
|---|---|
| 1928 | 16,801,656 |
| 1929 | 35,928,249 |

5. Canada's per capita consumption of butter, calendar years 1928-1929, was—

| | Pounds |
|---|---|
| 1928 | 29.06 |
| 1929 | (not available) |

6. No.

7. No.

8. Canada's milk production, calendar years 1928-1929, was—

| | Pounds |
|---|---|
| 1928 | 14,512,897,961 |
| 1929 | (not available) |

9. Canada's domestic exports of milk, calendar years 1928-1929, were—

| | 1928 Gal. | 1929 Gal. |
|---|---|---|
| To United States | 3,959,812 | 3,291,819 |
| Total exports | 3,959,812 | 3,291,819 |

10. Canada's domestic exports of cream, calendar years 1928-1929, were—

| | 1928 Gal. | 1929 Gal. |
|---|---|---|
| To United Kingdom | 714 | — |
| To United States | 3,042,704 | 2,385,754 |
| Total exports | 3,043,418 | 2,385,754 |

11. The Dairy and Cold Storage Branch estimate the consumption of milk at one pint per capita per day.

12. The number of milch cows in Canada, calendar years 1928-1929, was—

| | |
|---|---|
| 1928 | 3,792,522 |
| 1929 | 3,778,277 |

13. The average milk production per cow milked, calendar years 1928-1929, was—

| | Pounds |
|---|---|
| 1928 | 4,498 |
| 1929 | (not available) |

14. Information not available in the Dominion Bureau of Statistics.

15. (See attached statements).

Milk, Fresh

Price to producers per gallon delivered at dairy—

Charlottetown

| | 1928 | 1929 |
|---|---|---|
| January | $0.20 | $0.20 |
| February | 0.20 | 0.20 |
| March | 0.20 | 0.20 |
| April | 0.20 | 0.20 |
| May | 0.20 | 0.20 |
| June | 0.20 | 0.20 |
| July | 0.20 | 0.20 |
| August | 0.20 | 0.20 |
| September | 0.20 | 0.20 |
| October | 0.20 | 0.20 |
| November | 0.20 | 0.25 |
| December | 0.20 | 0.25 |
| Average | 0.20 | 0.208 |

Halifax

| | 1928 | 1929 |
|---|---|---|
| January | $0.27 | $0.27 |
| February | 0.27 | 0.27 |
| March | 0.27 | 0.27 |
| April | 0.27 | 0.27 |
| May | 0.27 | 0.27 |
| June | 0.27 | 0.27 |
| July | 0.27 | 0.27 |
| August | 0.27 | 0.27 |
| September | 0.27 | 0.27 |
| October | 0.27 | 0.27 |
| November | 0.27 | 0.27 |
| December | 0.27 | 0.27 |
| Average | 0.27 | 0.27 |

St. John

| | 1928 | 1929 |
|---|---|---|
| January | $0.265 | $0.265 |
| February | 0.265 | 0.265 |
| March | 0.265 | 0.265 |
| April | 0.265 | 0.265 |
| May | 0.265 | 0.265 |
| June | 0.265 | 0.265 |
| July | 0.265 | 0.265 |
| August | 0.265 | 0.265 |
| September | 0.265 | 0.265 |
| October | 0.265 | 0.265 |
| November | 0.265 | 0.265 |
| December | 0.265 | 0.265 |
| Average | 0.265 | 0.265 |

Price to producers per 100 pounds delivered railway station—

Montreal

| | 1928 | 1929 |
|---|---|---|
| January | $2.805 | $2.805 |
| February | 2.805 | 2.805 |
| March | 2.805 | 2.805 |
| April | 2.805 | 2.805 |
| May | 2.03 | 2.805 |
| June | 2.03 | 2.39 |
| July | 2.03 | 2.39 |
| August | 2.03 | 2.39 |
| September | 2.03 | 2.39 |
| October | 2.805 | 2.81 |
| November | 2.805 | 2.81 |
| December | 2.805 | 3.20 |
| Average | 2.482 | 2.70 |

Price to producers per gallon delivered at dairy—

Quebec

| | 1928 | 1929 |
|---|---|---|
| January | $0.30 | $0.30 |
| February | 0.30 | 0.30 |
| March | 0.30 | 0.275 |
| April | 0.28 | 0.225 |
| May | 0.25 | 0.20 |
| June | 0.22 | 0.20 |
| July | 0.22 | 0.20 |
| August | 0.22 | 0.20 |
| September | 0.22 | 0.20 |
| October | 0.22 | 0.25 |
| November | 0.25 | 0.25 |
| December | 0.275 | 0.30 |
| Average | 0.2546 | 0.2417 |

Price to producers per 100 pounds delivered at dairy—

Ottawa

| | 1928 | 1929 |
|---|---|---|
| January | $2.70 | $3.00 |
| February | 2.70 | 3.00 |
| March | 2.70 | 3.00 |
| April | 2.70 | 3.00 |
| May | 2.40 | 2.80 |
| June | 2.40 | 2.40 |
| July | 2.40 | 2.50 |
| August | 2.40 | 2.50 |
| September | 2.40 | 2.50 |
| October | 2.80 | 3.00 |
| November | 3.00 | 3.00 |
| December | 3.00 | 3.00 |
| Average | 2.633 | 2.808 |

Price to producers per 8-gallon can delivered at dairy—

Toronto

| | 1928 | 1929 |
|---|---|---|
| January | $2.20 | $2.20 |
| February | 2.20 | 2.00 |
| March | 2.20 | 2.00 |
| April | 2.20 | 2.00 |
| May | 1.95 | 1.95 |
| June | 1.95 | 1.95 |
| July | 1.95 | 1.95 |
| August | 1.95 | 1.95 |
| September | 2.30 | 2.20 |
| October | 2.40 | 2.35 |
| November | 2.40 | 2.3925 |
| December | 2.30 | 2.3925 |
| Average | 2.167 | 2.1125 |

Price to producers per gallon delivered at dairy—

Hamilton

| | 1928 | 1929 |
|---|---|---|
| January | $0.275 | $0.275 |
| February | 0.275 | 0.275 |
| March | 0.275 | 0.275 |

[Mr. Malcolm.]

Hamilton—Con.

| | 1928 | 1929 |
|---|---|---|
| April | 0.275 | 0.275 |
| May | 0.275 | 0.24375 |
| June | 0.24375 | 0.24375 |
| July | 0.24375 | 0.24375 |
| August | 0.24375 | 0.24375 |
| September | 0.275 | 0.275 |
| October | 0.275 | 0.275 |
| November | 0.275 | 0.30 |
| December | 0.275 | 0.30 |
| Average | 0.2672 | 0.2687 |

Price to producers per 100 pounds delivered railway station—

Winnipeg

| | 1928 | 1929 |
|---|---|---|
| January | $2.45 | $2.47 |
| February | 2.45 | 2.47 |
| March | 2.45 | 2.47 |
| April | 2.45 | 2.47 |
| May | 2.17 | 2.16 |
| June | 2.17 | 2.16 |
| July | 2.17 | 2.16 |
| August | 2.17 | 2.16 |
| September | 2.17 | 2.81 |
| October | 2.17 | 2.46 |
| November | 2.47 | 2.46 |
| December | 2.47 | 2.46 |
| Average | 2.313 | 2.392 |

Price to producers per pound butterfat, delivered at dairy—

Saskatoon

| | 1928 | 1929 |
|---|---|---|
| January | $0.75 | $0.75 |
| February | 0.75 | 0.75 |
| March | 0.75 | 0.70 |
| April | 0.75 | 0.70 |
| May | 0.7225 | 0.65 |
| June | 0.7225 | 0.65 |
| July | 0.7225 | 0.65 |
| August | 0.7225 | 0.65 |
| September | 0.85 | 0.85 |
| October | 0.85 | 0.85 |
| November | 0.75 | 0.75 |
| December | 0.75 | 0.75 |
| Average | 0.7575 | 0.725 |

Price to producers per gallon delivered at dairy—

Regina

| | 1928 | 1929 |
|---|---|---|
| January | $0.265 | $0.2775 |
| February | 0.265 | 0.266 |
| March | 0.265 | 0.247 |
| April | 0.265 | 0.247 |
| May | 0.265 | 0.228 |
| June | 0.245 | 0.243 |
| July | 0.245 | 0.243 |

Regina—Con.

| | 1928 | 1929 |
|---|---|---|
| August | 0.245 | 0.247 |
| September | 0.285 | 0.288 |
| October | 0.285 | 0.323 |
| November | 0.285 | 0.323 |
| December | 0.285 | 0.323 |
| Average | 0.267 | 0.2713 |

Price to producers per 100 pounds delivered at dairy—

Calgary

| | 1928 | 1929 |
|---|---|---|
| January | $2.75 | $2.80 |
| February | 2.75 | 2.75 |
| March | 2.75 | 2.75 |
| April | 2.75 | 2.75 |
| May | 2.75 | 2.40 |
| June | 2.40 | 2.40 |
| July | 2.40 | 2.40 |
| August | 2.40 | 2.40 |
| September | 2.40 | 2.80 |
| October | 2.80 | 2.80 |
| November | 2.80 | 2.80 |
| December | 2.80 | 2.80 |
| Average | 2.646 | 2.654 |

Price to producers per 100 pounds delivered at dairy—

Edmonton

| | 1928 | 1929 |
|---|---|---|
| January | $2.80 | $2.75 |
| February | 2.80 | 2.75 |
| March | 2.80 | 2.75 |
| April | 2.80 | 2.75 |
| May | 2.40 | 2.40 |
| June | 2.40 | 2.40 |
| July | 2.40 | 2.40 |
| August | 2.40 | 2.40 |
| September | 2.40 | 2.75 |
| October | 2.75 | 2.75 |
| November | 2.75 | 2.75 |
| December | 2.75 | 2.75 |
| Average | 2.62 | 2.63 |

Price to producers per gallon delivered at dairy—

Victoria

| | 1928 | 1929 |
|---|---|---|
| January | $0.29 | $0.30 |
| February | 0.31 | 0.30 |
| March | 0.31 | 0.30 |
| April | 0.25 | 0.30 |
| May | 0.25 | 0.25 |
| June | 0.26 | 0.25 |
| July | 0.29 | 0.25 |
| August | 0.29 | 0.25 |
| September | 0.29 | 0.25 |

Victoria—Con.

| | 1928 | 1929 |
|---|---|---|
| October | 0.32 | 0.25 |
| November | 0.32 | 0.275 |
| December | 0.33 | 0.275 |
| Average | 0.293 | 0.271 |

Price to producers per pound butterfat, delivered at dairy—

Vancouver

| | 1928 | 1929 |
|---|---|---|
| January | $0.70 | $0.70 |
| February | 0.70 | 0.70 |
| March | 0.70 | 0.70 |
| April | 0.70 | 0.70 |
| May | 0.70 | 0.70 |
| June | 0.70 | 0.70 |
| July | 0.70 | 0.70 |
| August | 0.70 | 0.70 |
| September | 0.70 | 0.70 |
| October | 0.70 | 0.70 |
| November | 0.70 | 0.70 |
| December | 0.70 | 0.70 |
| Average | 0.70 | 0.70 |

Milk, Condensed

Manufacturers' price per case of 48 15-ounce tins, car lots—

| | 1928 | 1929 |
|---|---|---|
| January | $8.10 | $8.10 |
| February | 8.10 | 8.10 |
| March | 8.10 | 8.10 |
| April | 8.10 | 8.10 |
| May | 8.10 | 8.10 |
| June | 8.10 | 8.10 |
| July | 8.10 | 8.10 |
| August | 8.10 | 8.10 |
| September | 8.10 | 8.10 |
| October | 8.10 | 8.10 |
| November | 8.10 | 8.10 |
| December | 8.10 | 8.10 |
| Average | 8.10 | 8.10 |

Milk, Evaporated

Manufacturers' price per case of 48 1-pound tins—

| | 1928 | 1929 |
|---|---|---|
| January | $5.10 | $5.10 |
| February | 5.10 | 5.10 |
| March | 5.10 | 5.10 |
| April | 5.10 | 5.10 |
| May | 5.10 | 5.10 |
| June | 5.10 | 5.10 |
| July | 5.10 | 5.10 |
| August | 5.10 | 5.10 |
| September | 5.10 | 5.10 |

Milk, Evaporated—Con.

| | 1928 | 1929 |
|---|---|---|
| October | 5.10 | 5.10 |
| November | 5.10 | 5.10 |
| December | 5.10 | 5.10 |
| Average | 5.10 | 5.10 |

Butter, Creamery, No. 1 Prints

Price per pound at Montreal—monthly average—

| | 1928 | 1929 |
|---|---|---|
| January | $0.39 | $0.43 |
| February | 0.39 | 0.444 |
| March | 0.43 | 0.454 |
| April | 0.41 | 0.452 |
| May | 0.36 | 0.386 |
| June | 0.37 | 0.387 |
| July | 0.40 | 0.402 |
| August | 0.41 | 0.41 |
| September | 0.43 | 0.42 |
| October | 0.42 | 0.42 |
| November | 0.43 | 0.4256 |
| December | 0.43 | 0.429 |
| Average | 0.406 | 0.4216 |

Price per pound at Toronto—monthly average—

| | 1928 | 1929 |
|---|---|---|
| January | $0.42 | $0.445 |
| February | 0.42 | 0.447 |
| March | 0.44 | 0.459 |
| April | 0.43 | 0.456 |
| May | 0.39 | 0.412 |
| June | 0.39 | 0.406 |
| July | 0.41 | 0.416 |
| August | 0.42 | 0.428 |
| September | 0.43 | 0.435 |
| October | 0.43 | 0.439 |
| November | 0.44 | 0.44 |
| December | 0.44 | 0.439 |
| Average | 0.422 | 0.4352 |

Price per pound at Winnipeg—

| | 1928 | 1929 |
|---|---|---|
| January | $0.43 | $0.45 |
| February | 0.44 | 0.46 |
| March | 0.45 | 0.46 |
| April | 0.45 | 0.46 |
| May | 0.42 | 0.40 |
| June | 0.37 | 0.38 |
| July | 0.38 | 0.40 |
| August | 0.42 | 0.41 |
| September | 0.43 | 0.42 |
| October | 0.43 | 0.42 |
| November | 0.43 | 0.42 |
| December | 0.44 | 0.43 |
| Average | 0.422 | 0.4258 |

[Mr. Malcolm.]

Butter, Creamery, Finest Prints

Price per pound at Regina—

| | 1928 | 1929 |
|---|---|---|
| January | $0.44 | $0.45 |
| February | 0.43 | 0.45 |
| March | 0.43 | 0.45 |
| April | 0.44 | 0.44 |
| May | 0.45 | 0.42 |
| June | 0.39 | 0.40 |
| July | 0.40 | 0.40 |
| August | 0.42 | 0.41 |
| September | 0.43 | 0.42 |
| October | 0.43 | 0.42 |
| November | 0.44 | 0.41 |
| December | 0.45 | 0.38 |
| Average | 0.429 | 0.4208 |

Price per pound at Calgary—

| | 1928 | 1929 |
|---|---|---|
| January | $0.44 | $0.43 |
| February | 0.43 | 0.44 |
| March | 0.42 | 0.44 |
| April | 0.44 | 0.42 |
| May | 0.41 | 0.40 |
| June | 0.39 | 0.39 |
| July | 0.39 | 0.38 |
| August | 0.41 | 0.38 |
| September | 0.41 | 0.40 |
| October | 0.43 | 0.40 |
| November | 0.43 | 0.43 |
| December | 0.43 | 0.43 |
| Average | 0.419 | 0.4117 |

Butter, Dairy, Prints

Price per pound at Toronto—monthly average—

| | 1928 | 1929 |
|---|---|---|
| January | $0.34 | $0.33–$0.35 |
| February | 0.34 | 0.33– 0.35 |
| March | 0.34 | 0.33– 0.35 |
| April | 0.34 | 0.333 |
| May | 0.34 | — |
| June | 0.34 | — |
| July | 0.33 | — |
| August | 0.33 | — |
| September | 0.33 | — |
| October | 0.33 | — |
| November | 0.33 | — |
| December | 0.3375 | — |
| Average | 0.333 | 0.338 |

## PRIVATE BILLS—PROCEDURE

Mr. J. A. GLEN (Marquette) moved:

That all private bills reported upon to-day and contained in the tenth report of the select standing committee on miscellaneous private bills be placed upon the order paper of the house for consideration this day in committee of the whole and for third reading.

Motion agreed to.

## SOLDIER SETTLEMENT ACT

Hon. CHARLES STEWART (Acting Minister of Immigration) moved that the house go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to amend the Soldier Settlement Act to carry into effect the recommendations of the special committee on pensions and returned soldiers' problems, submitted to the house on the 23rd May, instant, and to provide that the total outstanding indebtedness of all soldier settlers who are still in active occupancy of their farms shall be reduced by the amount of thirty per cent, to take effect upon the last standard date, 1929, or, in the case of settlers whose applications for revaluation have not yet been finally dealt with, immediately after the final award has been given.

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 and the house went into committee, Mr. Johnston in the chair.

Sir GEORGE PERLEY: The leader of the opposition is not here, but there is no objection to this resolution carrying since he will have an opportunity of saying anything he wishes to say when the bill is in committee.

Mr. STEWART (Edmonton): Yes.

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 313, to amend the Soldier Settlement Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read a second time?

Sir GEORGE PERLEY: Has this bill been printed?

Mr. STEWART (Edmonton): Yes. Perhaps it would be better to continue to-morrow with the discussion.

Mr. SPEAKER: Or this day later?

Mr. STEWART (Edmonton): Yes, this day later.

Mr. SPEAKER: The bill will be read a second time this day later.

## CANADA GRAIN ACT AMENDMENT

Hon. JAMES MALCOLM (Minister of Trade and Commerce) moved that the house go into committee on Bill No. 12, to amend the act respecting grain.

Motion agreed to and the house went into committee thereon, Mr. Johnston in the chair.

On section 1—Short title.

Mr. GARLAND (Bow River): Mr. Chairman, may I suggest a method of procedure which might save the time of the committee. I think the committee on agriculture did excellent work in connection with this bill. The decisions in regard thereto were practically unanimous, indeed I may say absolutely unanimous, but there was just one matter in connection with the bill to which serious objection was taken, and in connection with that matter the minister has agreed to make a statement to the committee. The question to which I refer is the status of the assistant commissioners. Hon. members will recall that a provision was made last year that the assistant commissioner should have all the powers of a commissioner for the purpose of making inquiry, hearing complaints and making decisions. In the original draft of the present bill, which was finally agreed to by the committee, it is intended to take away from the assistant commissioner those powers, and to make him completely subject in every respect to the board and his future powers will depend upon regulations or orders passed by the board. While admitting that this feature from an administrative point of view has considerable merit, and while admitting that a great deal may be said for the change, yet I feel that the producers may not be wholly satisfied. The reason for making the change last year was to give the producer a man with power who would be close to him, a man who could deal effectively and in a speedy manner with any questions which might arise. Personally I believe that the new board will be a good one, will be efficient and will operate excellently, yet I feel that it would have been better if the producers had close to them a man with the powers of a commissioner. If the new board should delegate to these assistant commissioners the full power which they had last year, then my objection would be removed. Before we pass this bill I would like the minister to make a statement in regard to this matter. With that one criticism, I would suggest that considerable time would be saved if the bill were simply passed as a bill and sent forward to its conclusion.

Mr. MALCOLM: Mr. Chairman, I think the remarks of the hon., member for Bow River (Mr. Garland) have clearly outlined the objection which he took in the committee when the bill was unanimously passed. Section 10 of the new bill provides:

The board or the chief commissioner may authorize a commissioner or assistant commissioner to inquire into any matter as to which

the commission has power to make inquiry, and any commissioner or assistant commissioner so authorized shall have the same powers as the board might itself have exercised.

The person so authorized would have the same right of inquiry as the board itself. Section 11a of last year's amendment provided:

Each of the assistant commissioners shall have the like powers and duty to receive and investigate complaints and also make investigations without complaint received and make findings thereon, as by the act is given to and imposed upon the board of any commissioner,

Subsection (3) of section 11a of the amendment provides:

There shall be an appeal to the board within fifteen days by any person dissatisfied with a decision of an assistant commissioner.

While the assistant commissioner was given last year the full power to decide for the whole board, of which he was not a member, the individual who might feel that such decision was not a fair one could appeal to the board within fifteen days. I am free to say that the advice offered to me and to the committee in support of section 10 by the chairman of the board and by the legal advisers is that under the amendment, section 11a, the assistant commissioner was given more power that any one of the commissioners. He was given more power than the chairman of the board because he could make a finding, whereas no member of the board could do so under the act. Under the new section, which I think we should accept for at least a year's trial, I believe that the recommendations of the assistant commissioner would be more carefully considered because he would know that a finding would be based thereon. If the assistant commissioner possesed full power with appeal to the board, he might be influenced by a hasty judgment. When he knows that his investigation and his finding require the approval of the board, he will give very careful consideration thereto. Section 10 will provide a greater degree of finality once the case is heard. It does not seem to me that an assistant commissioner would be as careful in making his decision when there was a possibility of the case being reheard by the full board within fifteen days. If the power of making a decision were left with the assistant, many apepals would have to be made to the board, and I think it advisable that the board should have the opportunity to pass upon any matter in which an inquiry is advisable.

As minister of the department charged with the administration of this act through the Board of Grain Commissioners, I want to point out another objection to 11a. Under subsection 11a of the amendment of last year the department has to supervise two bodies. One body is the Board of Grain Commissioners, headed by a chairman charged with the administration of the act and responsible for decisions made by the assistant commissioner. Inasmuch as these assistant commissioners are appointed not by the governor in council but on the recommendation of the board itself; inasmuch as the three assistant commissioners were chosen for their technical and practical knowledge by the Board of Grain Commissioners, I think it is a very improper situation for these men not to be responsible to the board that engaged them. As regards the three assistant commissioners, one man was taken from the grain trade—I believe he was an elevator operator for the United Grain Growers—and another man, an excellent and well known operator, was taken from the pool. The third man was taken from the Manitoba Agricultural college, on account of his expert knowledge of the whole grain business. I do not think one could criticize the board for their selection of the assistant commissioners, but I do not believe these men selected by the board should be given any more power than any officer of the board. I submit that for the present at least I must take the advice of the officers of the board and ask the committee to accept section 10, which I believe is better than section 11a of the amendment of last year.

Section agreed to.

Sections 2 to 138 inclusive agreed to.

On section 139—Leases for grain shipped to Pacific.

Mr. MALCOLM: I should like to move for the deletion of subsection (3) from section 139. The deletion of this section still leaves to the board the right to refuse to permit the leasing of special bin accommodation at any time, but it removes the statutory limitation on the power of the board and does not make the leasing a contravention of the act. The committee will note that subsection (3) of section 139 reads:

No contract for the leasing of special bin accommodation in any eastern elevator during the period between the 1st day of September and the 15th day of December in any year shall be approved by the board or permitted to take effect.

In other words, subsection 3 takes away from the board the right to approve special bin leasing. In the general interest of the trade it is felt by the board that they should have a right to permit special binning at any period of the crop season. I therefore move that subsection (3) of section 139 be deleted.

Mr. BENNETT: It is rather important in a matter of this kind, dealing with a lengthy statute where the minister suggests that certain amendments be made, that he should be able to assure the house beyond peradventure that every clause has been checked and that there is no doubt in the world that what we are doing with respect to this bill as a whole is something that will not cause difficulties in the operation of the statute. We are adopting a wholly unusual course, one for which the government must accept the fullest responsibility in every way. I trust that no difficulties may arise, but there is always the opportunity for them to occur, when you deal with a statute in the manner in which this one is now being dealt with. When the minister makes one amendment, this necessitates my making the observations I have. If it be necessary to make a change with respect to one clause, it may be like the budget of the Minister of Finance, where we increase a steel tariff item 50 per cent; or where we made a seasonal tariff on fruit and vegetables. Under those circumstances I should like some assurance from the minister.

Mr. MALCOLM: I can give the leader of the opposition this assurance and I quite realize the value and importance of his suggestion. Never before has there been such unanimity of opinion in committee and such a careful hearing of the various interested parties in the handling of grain as there has been on this occasion. I should like to join with the hon. member for Bow River in saying that the committee went so carefully through the bill that I doubt very much whether any hon member who did not have the advantage of being on the committee could find many suggestions to make. The striking out of subsection 3 of section 139 was reviewed carefully by the chairman of the board after listening to certain representations by the bay port elevator operators and I think, before recommending to the minister that he amend the section by striking out subsection 3, the chairman also discussed the matter with the interested members of the committee. Therefore, I have no hesitancy in expressing the belief that the amendment will operate to the general advantage of the trade, because it provides simply that should an emergency arise, the board may grant the right to special bin at a season at which it is now prohibited under the act to grant it.

Amendment agreed to.

Section as amended agreed to.

Sections 140 to 171 inclusive agreed to.

On section 172.

Mr. MALCOLM: I think the leader of the opposition will agree to the amendment I desire to make to section 172. This is purely a case of wording. I move to amend section 172 by inserting the word "coming" in the third line in place of the word "carrying." The section will then read:

> This act shall come into force on proclamation of the governor in council who may by such proclamation direct the coming into force—

Instead of "carrying into force," which was a misprint.

Mr. BENNETT: "Coming" is not a very good word. Indeed, I would say, from the standpoint of the hon. member for Lisgar neither word is very apt to express the meaning.

Mr. BROWN: I understand my hon. friend is a student of Roget's Thesaurus, and perhaps he might find the proper word.

Mr. BENNETT: If I had time, I certainly would. The word "coming" is not an apt word to use to express what the minister has in mind.

Mr. MALCOLM: The section as amended will read:

> This act shall come into force on proclamation of the governor in council who may by such proclamation direct the coming into force at any time of any specified sections or parts thereof subject to such conditions as the governor in council may direct.

Mr. DUNNING: The word "coming" relates to certain specified sections, not to the whole act.

Mr. MALCOLM: On behalf of the leader of the opposition, who probably is in a better position to judge the merit of any amendment, I had another amendment drafted for the whole section:

> This act shall come into force on proclamation of the governor in council who may from time to time direct the coming into force of any specified section subject to such conditions as the governor in council may direct.

That is another way of covering this. The word "carrying" was a misprint. If the second amendment suits my hon. friend, I will agree.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

## COMPANIES ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENT

Hon. FERNAND RINFRET (Secretary of State) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 9, to amend the Companies Act.

Mr. GARDINER: Will the minister explain?

Mr. RINFRET: The Senate has not really amended the bill as it has not changed any of the clauses that we adopted in this house, but it has added a clause as part IV of the bill, which would apply to all companies, whether incorporated by letters patent or by special act, the provision in part I of the bill, which allows companies to establish and support associations calculated to benefit their employees, and to guarantee or subscribe money for charitable purposes. This disposition which already exists in part I as applying to companies incorporated by letters patent will apply, under the Senate amendment, to all companies whether incorporated by letters patent or by special act of parliament. The amendment is benevolent in character, and has met with the unanimous approval of the Senate.

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

## INCOME WAR TAX ACT AMENDMENT

The house in committee on Bill No. 310, to amend the Income War Tax Act—Mr. Dunning—Mr. Johnston in the chair.

On section 1—Dividends received by one corporation from another.

Mr. BENNETT: I suppose the minister has received representations from various sources in connection with this legislation. I have received communications from members of the legal profession indicating that they thought the retroactive features of it were very unfair. I usually am opposed to retroactive legislation having regard to what was once done in this house in connection with retroactive legislation. It always arouses great suspicion in the mind of every thoughtful man when you begin making an act apply to days gone by, because business men have made their arrangements, incurred their obligations, and then suddenly you say that all this is to be set at naught and something that happened two or three years ago treated as if it were happening to-day.

Mr. EULER: No, no.

[Mr. Malcolm.]

Mr. BENNETT: Some of my correspondents are fearful that the language of the statute is not sufficiently clear as to just when the retroactive feature will commence to operate.

Mr. EULER: I can hardly understand how anyone could construe the bill to mean that it becomes retroactive for two years. It states distinctly in the clause in question that it shall take effect only as from January 1 of this year, and the returns for the accounting period cannot be made until some time next year. So it is distinctly not retroactive. It just goes back to January 1 of this year.

Mr. HANSON: To the extent that it does go back to January 1 of this year it is retroactive, and it does affect pending transactions. That is the objection. If the bill were made to operate from the next accounting period, instead of from January 1 of this year, no one would be injured. But I am informed that there are transactions pending which this act is designed to catch as from the 1st day of January last, and there will be some damage done. I do not suggest that it will be as much as we thought when the resolution was on the order paper and before we had read the terms of the bill. Would it meet the views of the department if this provision were to operate only from the 1st day of July of this year?

Mr. DUNNING: Has my hon. friend read section 4?

Mr. HANSON: No.

Mr. DUNNING: I wish he would because I think we are misunderstanding each other again as we did in committee. Section 4 is the operative section, and provides for the repeal of the old section 19 and the substitution of a new section 19 for it. I think if my hon. friend will read that section, it will clear up his misapprehension.

Mr. EULER: The new section 19 reads:

> On the winding-up, discontinuance or reorganization of the business of any incorporated company, the distribution in any form of the property of the company shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income earned in the taxation period 1930 and subsequent periods.

Mr. DUNNING: It is money earned in the period that counts.

Mr. HANSON: It is still retroactive from the 1st day of January.

Mr. EULER: You cannot very well break the period.

Mr. BENNETT: I think the minister is wrong in that. By section 4 of the bill he desires apparently to protect those who may be involved in transactions that are antecedent to the 1930 accounting period, which begins on the 1st day of January, or whatever day may be the close of the business year.

Mr. EULER: We take the calendar year.

Mr. BENNETT: You take the calendar year as being the accounting period?

Mr. EULER: Yes.

Mr. BENNETT: This is the 27th of May. What my correspondent had in mind was a transaction that commenced say in January and was completed say in April, or perhaps previous to that, in good faith. Now it becomes subject to this statute.

Mr. DUNNING: Only with respect to the income earned in this calendar year, not with respect to its previously earned income.

Mr. BENNETT: Quite so. The minister perhaps has not quite caught the point. The new section 19 reads:

(1) On the winding-up, discontinuance or reorganization of the business of any incorporated company, the distribution in any form of the property of the company shall be deemed to be the payment of a dividend to the extent that the company has on hand undistributed income earned in the taxation period 1930 and subsequent periods.

That applies clearly only to such accretions to the company's resources as accrued after the 1st day of January. What I am pointing out is that in some of these reorganizations the distribution of what would now become income since the 1st day of January might be very large.

Mr. DUNNING: It is income earned by the subsidiary.

Mr. BENNETT: If it means that, then there is no doubt that the minister is correct; but that is not abundantly clear. If that is what is in his mind, I cannot think that there will be any trouble. It was a firm of solicitors who wrote to me. I do not think that I have the pleasure of knowing the gentlemen, and of course they did not have the advantage of having the bill before them.

Mr. DUNNING: They had not had the advantage of reading the bill.

Mr. BENNETT: But what they were fearful of was that a pending transaction might be affected by it. The addition of the words that the minister has just used makes it quite clear that what he had in his mind was not what the legal gentlemen have at all. What the minister suggests is that the earnings of the enterprise after the first day of January, 1930, shall, if distributed, be taxable as income.

Mr. DUNNING: Yes, and in the taxation period of 1930. That is very clear.

Mr. BENNETT: But it is the earnings of the subsidiary, not the earnings of the principal company.

Mr. DUNNING: Undoubtedly the whole reference is to the winding up, discontinuance, and so forth.

Mr. HANSON: The shoe might pinch in this way. In the case of a pending transaction where the purchase of a company has been agreed upon and a firm contract made the buyers would properly assume that legally they would not have to pay any tax on income earned since the first day of January. If you make it retroactive the buyers will have to pay the tax because they have made a firm contract. That is the only objection that occurs to me at the moment. However, if the minister will not remove this objectionable feature I do not think that I should press the matter any further. If it were stated that income earned on and after the date the act comes into effect is liable to taxation, the minister could no longer be charged with making the legislation retroactive. I do not see that it can make very much difference to the department in the matter of taxation. You are establishing a new principle that for thirty years has not been resorted to. You are foregoing all the unearned and undistributed incomes of companies of this character down to the first day of January. Why not go a little further and make it the first of July or the thirtieth of June, 1930? I do not see any reason in the objection urged by the minister that you cannot have a broken period. The amount of tax can be ascertained.

Mr. EULER: Not very readily.

Mr. RYCKMAN: My objection to the proposed legislation is that involves triple taxation. I do not think it has been sufficiently considered. If you take section 1 and, as the minister very properly pointed out, section 19, the result is that where company A has been successful, has made earnings, has been taxed, has heaped up, if you like, a surplus, and then this company is acquired by company B, the income falling into the hands of company B on the winding up of company A would not be exempt, but it should be exempt from further taxation; and when the dividends

are paid by company B to its shareholders, these dividends are taxes. That is triple taxation. There is no question about it. Under section 19 a further criticism is that all shareholders of companies wound up prior to 1930 were liable to income tax on the undistributed income earned after 1927, except an incorporated company under paragraph (n) of section 4, whereas the shareholders of a company wound up after 1929 will be liable only on income earned after 1929. This is not fair; it is making fish of one and fowl of another. I should like to hear some justification for this difference in treatment.

Mr. EULER: I cannot get my hon. friend's point that it is triple taxation.

Mr. RYCKMAN: I will hand the minister a memorandum.

Mr. EULER: Thank you. It is true that undistributed income in the hands of a corporation is subject to the regular eight per cent tax. Then we desire to tax the surplus again which ordinarily would be paid out to the shareholders. In the case of all other companies it is so taxed. But there is no taxation beyond that because when it gets into the hands of the final company it is in the form of capital and is not further taxable.

Mr. RYCKMAN: That is where I do not agree with the minister. I say when there is taxation on realization or sale to a second company, and especially if dividends are paid to shareholders out of the surplus that comes to the second company, then there is double taxation.

Mr. EULER: But they bought that as a matter of capital, not as surplus, and did not distribute it as dividends. That is exactly what we want to get at. The method which has been followed makes it possible for the shareholders of a company to receive as capital moneys which are in the form of profits. It is an evasion of the act.

Mr. HANSON: It is not an evasion of the act. The minister is not justified in so stating.

Mr. EULER: Well, it is an evasion of the purpose of the government to tax all profits when distributed.

Mr. HANSON: That may be so.

Mr. EULER: We desire to get over that technicality.

Section agreed to.

On section 2—Cooperative companies and associations.

Mr. BENNETT: Does section 2 give effect to the decision of the Supreme Court of Canada in the wheat pool case?

[Mr. Ryckman.]

Mr. EULER: Yes, it is intended to recognize cooperative marketing and purchasing corporations.

Mr. BENNETT: I noticed on page 2 the wording of (q) is "the income of any banking institution." I fail to understand that. There is no such thing as a cooperatively organized bank in Canada, as the minister knows. The statute is very explicit on that point.

Mr. DUNNING: I do not know as to the aptness of the wording. Of course the word "bank" is descriptively a federal word, legislatively speaking. The subsection is intended to cover these cooperative credit institutions—caises populaires—in Quebec. There are some hundreds of them in that province. I gather that they make no taxable profits in any event; but it was desired to recognize such institutions under the heading of cooperative institutions in order that whenever a few dollars did accumulate—which I understand cannot be distributed to anyone in the form of dividends, but can be applied only for charitable and other purposes—it would be clear that this amendment did not apply to such institutions.

Mr. BENNETT: "Banking institution" is the only troublesome expression.

Mr. DUNNING: I am advised that the word "bank" is used in the Quebec statute itself upon which this is based. It is a literal translation.

Mr. BENNETT: The minister no doubt knows the legal objection to the use of the word "bank" in that sense—no provincial legislature can authorize the creation of an institution called a bank. Although called "banking institutions" I am simply pointing out that there cannot be any such thing as a cooperative banking institution in this country.

Mr. DUNNING: I think it is about as descriptive as we can get it of the particular type of institution referred to.

Mr. EULER: I am told, Mr. Chairman, that the correct translation of the name of the organization known in Quebec as the "caisse populaire" is the "peoples' bank."

Mr. BENNETT: I know that.

Mr. EULER: The members of those organizations contribute their money for one purpose only, that those moneys shall again be loaned to the members themselves. It is entirely a cooperative institution.

Mr. BENNETT: Yes, they have them in France. But the use of the word "bank" is illegal with respect to any institution incorporated under other than the Bank Act.

Mr. GARLAND (Bow River): In deference to the house, and to yourself, Mr. Chairman, may I ask that this interesting conversation be carried on in a tone loud enough for the other members to hear?

Mr. DUNNING: I appreciate my hon. friends' point but if all the other conversations going on around us were carried on in lower tones or not at all the discussion would be audible without straining our hearing.

Mr. GARDINER: May I suggest that the chairman do his duty?

The CHAIRMAN: Order, order.

Mr. BENNETT: I suggest that the minister see one of his colleagues.

Section agreed to.

On section 3—Dependent relatives—donations—$5,000 annuity exemption.

Mr. DUNNING: We had a lengthy discussion in committee in connection with this section.

Mr. BENNETT: The government has followed the old principle of allowing 10 per cent of a man's income to be exempt from income tax when used for philanthropic and charitable purposes. It is derived from the old Mosaic law, and it represents the tithing system to which we were brought up in our childhood days; we learned that we should give one-tenth of our income to the Lord. Here is a provision for giving away one-tenth of the income, but not more than that. Why should we not make the application of the provision as generous and broad as possible? If I have a thousand dollars to give away, and give it to a church the result is that on my tax return I am exempted to the extent of that donation. If on the other hand I give $500 to an organization which is not here mentioned I receive no exemption. Is it not the intention of the minister to give effect to the old theory that a tenth should be contributed to useful, philanthropic and religious purposes? Let us extend this section so that we shall have no discrimination. I am bound to say that there is no answer to the claims made with respect to federated charities.

Mr. HANSON: Or with respect to any charities.

Mr. BENNETT: We may take the Red Cross as an example; in the city of Calgary we have the junior Red Cross hospital, and it is necessary to maintain that institution by voluntary subscriptions. If I give a thousand dollars to the junior Red Cross I am not allowed to include the donation as an exemption in my income return. If on the other hand I give $10,000 to a university I receive an exemption of $10,000, provided always that my total donations subject to exemption shall not exceed 10 per cent of my income. To my mind that is the crux of this matter. The minister has said that an amount "not exceeding 10 per cent" shall go for these purposes. Let us expand the operation of the section.

Mr. EULER: I have a good deal of sympathy with the statement of my hon. friend, but this legislation is more or less experimental.

Mr. BENNETT: Oh, no, I do not think it is experimental.

Mr. EULER: It is so easy to make it broad and inclusive that I am sure that as a matter of departmental practice it would prove to be very difficult to administer. While I have sympathy with the remarks of the hon. gentleman and those of some other members of the house to the effect that we might go farther in connection with philanthropic contributions, it may be that we have gone far enough for the present. We have at least established the principle; we do not know just how much it will cost by way of revenue. We thought we would meet the exigencies of the present situation if we went as far as we have here indicated. If we have not gone far enough we can extend it—or perhaps our friends may extend it in another session—

Some hon. MEMBERS: Hear, hear.

Mr. EULER: It is my belief that if it is made any broader there will be great difficulty in deciding, as a matter of administration, which organizations are and which are not entitled to it.

Mr. BENNETT: It could be specified; there is no difficulty in expressing them in the statute. I am in accord with the views of the minister, except for one fact. He has provided that up to 10 per cent shall be exempt.

Mr. EULER: We had to set a limit.

Mr. BENNETT: A man who has an income of $100,000 undoubtedly is anxious to give away $10,000.

Mr. EULER: Not always.

Mr. BENNETT: In a broad and general way I think it is true that men who are in receipt of incomes of $100,000 do give away much more than the sum I have mentioned. If that is so, every man in receipt of that income will be anxious to be allowed the largest exemption possible, because the super-tax applies with an increasing rate when dealing with incomes of $100,000. If a man pays a tax upon an income of $90,000 his rate is relatively much lower than it would be when he reached the $100,000 mark. From $90,000 to $100,000 the rate increases rapidly. Instead of paying the tax on $100,000 a man would give away $10,000, and for the distribution of this sum he picks out a university, a church, a school, and a hospital, giving to each the sum of $2,500. It may be that in his immediate community there are federated charities; there may be a community chest to which he would give nothing, because he would get no exemption for such donations. The state would lose nothing by extending the selections which could be made; under the present section he would be compelled to discriminate against a useful organization in his own community. The minister must realize that I am not asking him to extend the principle of 10 per cent; I only ask him to make it possible for that 10 per cent to be distributed more generously and more generally. I hope I have made myself clear. In case I have not I shall attempt to clarify my remarks by giving an illustration. In the city of Montreal Professor Falk has done excellent work in connection with the charities of that city. They have a community chest for the benefit of charitable organizations. They may seek a subscription of $25,000 from a man receiving an income of $250,000, and they may not receive a donation from that man because he will not be entitled to any exemption in respect of it. If on the other hand some one asked him to give that $25,000 to the Royal Victoria Hospital they would have no trouble in getting it; that would be the end of it. The exemption represents a great incentive, because the reduction in taxation amounts to a very substantial part of the $25,000. If a man receiving $250,000 gives away $25,000 he pays a tax on $225,000 only. The tax on the last $25,000 amounts to over $10,000. That is, the tax on the difference between $250,000 and $225,000, or $25,000, is over $10,000, so that in the end the donor is giving away something like $15,000. If he gives away $25,000 the state has lost $10,000, but the institution which he has selected has received the benefit of it. Do not increase the maximum beyond 10 per cent, but let us be consistent and let distribution be as general as possible for charities, churches and hospitals.



Last year we urged this point very strongly, and on that occasion the Minister of Finance said that he could not accept our proposition because it would have the effect of increasing the difficulties of administration. The present suggestion would place a limit upon the percentage of his income, subject to exemption in respect of donations, and as I say it is to be commended, because it is a recognition of the old biblical injunction to give one-tenth to the Lord.

Mr. DUNNING: I remember that.

Mr. BENNETT: Few of us will ever forget it. You have one dollar and you give ten cents to the missionary society, and as a result you feel a certain sense of satisfaction.

Mr. DUNNING: You learn to have that sense of satisfaction after a time, but in the beginning it is rather difficult to develop it. Eventually you appreciate its real significance.

Mr. BENNETT: There is no doubt that we have before us the recognition of a principle which I certainly commend. In view of the recognition I was hopeful that the number of institutions which might be benefited would be extended. We might take for example our western communities in which they have drives for charitable purposes. Here is a home, for instance, and they cannot get enough money to carry on the work connected with it.

Mr. DUNNING: Oh yes, they can, if it performs the functions of a hospital.

Mr. BENNETT: I am talking about a home, not a hospital; the home I have reference to does not perform the functions of a hospital. We have the Victorian Order of Nurses, and two or three others which I might mention; I know, alas, all too well what they are. If I give away $25,000 to a university I am going to save a considerable amount of money, and the university will get it. If I divided it up, however, and gave the Red Cross—

Mr. DUNNING: The government gets it.

Mr. BENNETT: I am pointing out that we are exercising a discrimination against deserving organizations.

Mr. GEARY: That is perfectly true.

Mr. BENNETT: I see no answer to it, and I think the minister would do well to see if he cannot draft a clause to meet that suggestion.

Mr. DUNNING: As I said the other day when the matter was under discussion, I am entirely in sympathy with the desires which have been expressed, but the difficulty in opening a system of this kind is to keep it within such limits at its inception that we would, by experience, find along what line it could be safely and properly broadened. When the matter was under consideration the government, particularly the Minister of National Revenue and myself, had before us the experience of those other countries which have tried to apply the same principle, and that experience is extremely varied and complex, particularly in the United States. I think members of the committee will remember that the other morning when we were speaking of this matter many suggestions were put forward of a much wider character even than those now made by the leader of the opposition as suitable objects for which exemption should be allowed in case of contribution.

Just to give the committee some idea of the breadth of the matter in the United States I should like to read the exemption in that country as an evidence of how broadly we would have to deal with the matter in order to be sure of covering everything, and even then I am quite sure some member of the committee will have in his mind some bodies that are not mentioned even here. In the United States exception is granted on contributions to any corporation or trust or community chest fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals, but only if no part of the net earnings inures to the benefit of any private shareholder or individual. Distributions to the special fund under the vocational rehabilitation act, authorized by section 7 of that act, posts or organizations of war veterans or auxiliaries, units or societies are also exempt, but only to these posts or organizations if such posts or organizations, funds or societies are organized in the United States or any of its possessions and have no part of their net earnings which inures to the benefit of any private individual. Exemptions include also contributions to a fraternal society, order or association operating under the lodge system, but only if such contributions are to be used exclusively for religious, scientific, literary, charitable or educational purposes or for the prevention of cruelty to children or animals.

I may say that the letters I have received since the introduction of the measure in the budget indicate an even wider range, which is still more difficult to describe, in Canada, which I am inclined to think would have at least an equal claim for such exemption. What I proposed to the committee the other day, while absolutely in agreement with the desirability of widening this exemption, was that we should operate it for a year as it is and in the meantime—and I know the leader of the opposition will appreciate this point—the various community chests and organizations such as the federated charities could perhaps evolve some common basis of organization or rather some common basis of handling their contributions. As my hon. friend knows, the system differs in different communities. In some places the contributor can allocate the particular object for which his subscription shall be used, while in others the societies themselves agree in advance that a certain percentage of the total contribution shall go to each of them. Many devices of this kind are in operation, and of course there are very many of our communities which have not as yet adopted the community chest idea. That makes it even more difficult to operate.

Really, the government had the idea that the recognition of the principle at this time would, during the year, bring about such organization of the charitable objects to which the leader of the opposition referred as to make it easier to widen the application of the section so as to include them and to see to it that discrimination would be avoided. Really that is the only argument I have to offer. With the logic of my hon. friend I entirely agree, but to attempt it without experience and without notice to the Canadian people who have various types of organizations, some of which I am quite sure we would manage to leave out, would not in my judgment be quite proper. I think it would be better to go ahead as we are for this year, knowing full well that by next year all these men and women from one end of this country to the other who devote themselves to the service of their fellow beings along charitable lines will be thinking of the matter and endeavouring so to create organizations as to facilitate the operation of such a law in relation to them. I feel sure we will be able to approach the question one year from now with very much clearer minds and greater ability to do the right thing without discrimination, beyond the limits I have indicated.

Mr. GEARY: If there is one thing of which the minister can be sure it is that he is working a discrimination in the present section. That is quite clear. The minister would go further towards obviating any discrimination

if he increased the number of bodies affected. My leader has expressed the right idea; you have practically set aside 10 per cent of a man's income as being exempt if he cares to donate it to charities. For instance, I have in mind a drive, as they call it, now being made for a very worthy institution in my own city, a home for incurables. That institution has been carrying on for fifty or sixty years without having had to come to the people for much money; they have had very good subscriptions, but now they feel that they need a fund, and they are aiming at $100,000. These people are not going to get subscriptions, I am afraid, if this section carries.

Mr. DUNNING: Such a home would be a hospital.

Mr. GEARY: There is nothing here which would include it; the section describes a hospital as being a hospital exclusively operated as such, and I do not think a home where old people are being cared for would come within that section.

Mr. DUNNING: Certainly it is the intention to give the most liberal interpretation to the section, as far as that goes.

Mr. GEARY: I think you are going to discriminate against such institutions. In Toronto we have several hospitals, St. Michael's, Western, Toronto General, and many others; those are all hospitals acting as such, but a home is a different thing. Certainly there is a difference implied in the legislation, because here you describe a hospital as a hospital exclusively operating as such. Take Strachan House, which is a new institution in the old Trinity College building in Toronto. No one is ill there; the inmates are old people who are unable to look after themselves. They have nurses in attendance for the ordinary ailments but these people are not in a hospital in the ordinary sense of the word, with any illness or any hurt. They are there to be cared for and given, so far as possible, as far as they cannot afford payment, board and lodging. I know that people who have spoken to me in my own city feel aggrieved about this; they feel that they are being left out. One lady spoke to me the other day apropos of several charities, as we call them, which do not stand a chance of getting donations during the present year because of this section. The stream of donations will be diverted elsewhere, and probably to objects which are no more worthy. I think the feeling is very strong that you will avoid a great deal of discrimination if you make the class larger; that is, you will leave fewer outside.

[Mr. Geary.]

Mr. RYCKMAN: Mr. Chairman, I want to urge upon the minister that he be, I will say, compassionate as well as business-like and reasonable. I know a case—I may say without any hesitation that it is not my own case—of a distinguished man who gave $10,000 to a charitable object, and who had to pay the government $4,600 in order to do so, because his income was at that particular level. When a man has to pay $4,600 in order to give away $10,000 he begins to think, and he feels that it is unfair. I submit to the minister that with just a little adjustment—

Mr. EULER: He would have had to pay that amount anyway.

Mr. DUNNING: He was in the $100,000 class.

Mr. RYCKMAN: You cannot cavil at my statement; he simply paid $4,600 out of his pocket in order to give away $10,000. It was a nice thing to do—

Mr. DUNNING: Not because he gave it away, but because he had it as income; he was a $100,000 man and it did not matter what he did with the money.

Mr. BENNETT: That amount would have been saved to him if the object to which he contributed had been within this class.

Mr. RYCKMAN: You cannot say my statement is unfair, and a man will pause before he will have his charitable desires hedged about and hampered in this way. I think the minister admits the fairness of our presentation. Why make sheep of some and goats of others? Something should be done in this regard. It would not interfere with the prestige of the government but would be really beneficial to the charitable institutions of this country.

Mr. BENNETT: The Red Cross is mentioned in the treaty of peace as being the instrument selected by the warring nations to distribute charitable gifts amongst the people in peace times. Many of us have supported that organization rather generously, but such gifts will not be subject to exemption. I have received a letter from the general secretary and administrator of that society in Toronto, pointing out to me how unfair this provision is to an institution selected by the treaty of Peace to discharge certain obligations, and which was being maintained by the gifts of people from one end to the other of this country. Few people realize the amount of work this organization is doing, especially

among the juniors of the country in the way of education. His Excellency the Governor General is the patron of the society. Why not include in our statutes the American provisions as read by the hon. minister?

Mr. DUNNING: They are not broad enough to meet all the suggestions made.

Mr. BENNETT: They would meet a great many of them. The broad basic principle is this: if no benefit accrues to individuals as members of the organization to which gifts are made, then such gifts shall be exempt.

Mr. EULER: Many of the provisions are purely American in character and would not apply to Canada.

Mr. BENNETT: But a number of them would.

Mr. EULER: I understood the hon. leader of the opposition to suggest that they should be incorporated in this bill.

Mr. BENNETT: The first part could be incorporated. I wonder if the minister has considered the result in the United States?

Mr. DUNNING: Yes, I have.

Mr. BENNETT: Magnificent, private benevolences have placed an institution on a hill here, another there and another there; universities have been enriched and wonderful libraries established by gifts of this character. It is amazing what private benefactions have done in the United States during the last few years. The minister will remember that the Prime Minister once said that situated as we are in Canada we could not hope to maintain a higher income tax than obtained in the United States. The corporation tax in the United States is higher than in Canada, but the individual tax is lower, and the exemptions allowed have had a most desirable effect in that country. I was looking at the World Almanac not long ago for the purpose of finding out the extent of private benefactions in the United States during the year 1929, and an amazing amount of money has been given for charitable purposes. I suggest that this section be allowed to stand until eight o'clock so that the minister may be able to discuss the matter with his colleagues in an endeavour to see whether this clause cannot be extended without in any sense increasing the amount of exemption.

Mr. DUNNING: It is not a matter of money at all.

Mr. BENNETT: I feel very strongly on this matter.

Mr. DUNNING: It is a matter of administration. I will accede to my hon. friend's request and let this section stand. What would my hon. friend's views be to the inclusion of the words "charitable organization"? The reason for not including those words is the uncertainty as to the real meaning of a charitable organization.

Mr. GEARY: That has been settled fairly well in the province of Ontario.

Mr. DUNNING: But it has not been settled by the rest of Canada. That presents a real difficulty, but if the minister concerned with the administration, the Minister of National Revenue, is willing to take the responsibility, that amendment would cover nearly all the most deserving suggestions which have been made. It might not cover the suggestion made by the hon. member for St. John-Albert (Mr. MacLaren) who wants an exemption granted in respect of contributions to museums or the suggestions as to contributions for special objects other than of a charitable nature.

Mr. MacLAREN: Instead of using the words "universities, colleges and schools," why not use the term "educational institutions," which would include museums? The minister is going to consider this question until this evening, and I would ask him to consider my suggestion.

Mr. McGIBBON: The Red Cross as an organization has no hospitals; it simply operates such institutions and in addition to that is performing many services for this country. Under this legislation no grant could be made to the Red Cross and receive an exemption, because it is confined to hospitals. All this organization does is to run hospitals; they have to be procured and equipped by the municipality and then the Red Cross steps in and manages them. Having regard to the valuable services rendered by the Red Cross, I think the minister should consider this matter.

Mr. GEARY: I would direct the attention of the minister to the Ontario Assessment Act, which provides an exemption as follows:

> Every industrial farm, house of industry, house of refuge, orphan asylum, and every boys' and girls' or infants' home or other charitable institution conducted on philanthropic principles and not for the purpose of profit or gain,

That is a pretty wide section, and it might be considered by the minister in drafting any proposed amendment.

Mr. DUNNING: What really appeals to me is the use of some such term as "charitable institutions" in addition to what appears already in the bill. That, of course, would be qualified by the words which follow, "operated exclusively as such and not for the benefit of private gain."

Mr. BENNETT: That is the test.

Mr. DUNNING: According to the department, there would be difficulty in the administration.

Mr. McGIBBON: I do not think the Red Cross would come under that classification.

Mr. DUNNING: Would the Red Cross come under the heading of charitable institutions?

Mr. BENNETT: My answer probably would be no. The Red Cross occupies a very significant position. It is an international organization which, as the hon. minister knows, had no peace time activities until the end of the war. Those peace time activities were sanctioned by a statute of this parliament because under the treaty of Peace the Red Cross society was selected as the instrument to accomplish certain purposes. It probably receives as much money as any one institution of that class in the United States of America.

Mr. DUNNING: But its work is largely charitable.

Mr. BENNETT: But it is in a sense different from charitable. Part of it is educational. It is really assisting the health department in some instances, for example, in distributing literature, thus creating a public opinion.

Mr. EULER: Make it read "Red Cross and charitable institutions."

Mr. DUNNING: There is a real difficulty if we single out just the Red Cross.

Mr. BENNETT: It is singled out in the treaty of Peace.

Mr. DUNNING: I have in mind literally hundreds of deserving institutions that would want to be mentioned by name, because of some peculiar feature that might make a difference in their case. From the point of view of income tax, the Red Cross would be regarded as falling within the term "charitable institutions."

Mr. BENNETT: I reached the same conclusion, but when the peace treaty was under consideration, when all the representatives of the warring countries met in the south of France to determine how they were to rehabilitate war-stricken Europe, they found it tremendously difficult to decide what institution they should select. However, they selected the Red Cross, which appears in the treaty of Peace as being the instrument selected for that purpose. Sometimes I think we have been derelict in our duty in that regard, for we have given grants to almost every other institution in Canada and nothing to the Red Cross, although as regards some of the others it would be difficult to find out where the money has gone except for salaries.

Mr. DUNNING: I did not want to introduce that point, but now that my hon. friend has mentioned it, that is one feature which does not make it easier to deal with a case of this kind.

Mr. BENNETT: But the Red Cross has at the instance of the government done a great deal of work on several occasions. At the end of the war it had, I think, $250,000 of accumulated funds. That has been distributed throughout Canada, and I know, for instance in northern Alberta at Pouce Coupe, they maintained a hospital when the provincial governments concerned would not undertake it. I was hopeful that the minister would see that that was not overlooked.

Mr. DUNNING: We will look into that.

Mr. BENNETT: I think the minister will agree that paragraph (k) is susceptible at any rate of a very discriminatory use. Take, for instance, the case of a man who puts $100,000 or $120,000 into a life insurance company and purchases an annuity of $5,000 under one of those special contracts by which he receives the interest on the capital during his lifetime and in the end the money is payable to his estate. That is a contract for life. Then take the case of the poor man who cannot afford to put up that amount of money and who does not get the exemption for his life insurance premium. What about that? In England there is an exemption with respect to the premium paid. In the one instance a single premium is paid for a given benefit issued under a contract which provides an annuity based on the earning power of the money and an ultimate payment of a fixed capital sum. In the other case the individual pays $40, $50 or $60 a year as premium on his life insurance. He gets no benefit, no exemption. We are exempting in the one case and not in the other.

Mr. DUNNING: The payment in the one case of a premium is analogous to the other. If the payment is made out of income in both cases, the income is taxable.

Mr. BENNETT: No, not out of income.

Mr. DUNNING: The hon. member means it is a capital transaction?

Mr. BENNETT: Yes.

Mr. DUNNING: I see the point now.

Mr. GEARY: A man may have an exemption of $3,000 and be unmarried.

Mr. DUNNING: By having dependents.

Mr. GEARY: Yes. When he becomes married, his wife has an exemption of another $1,500. That would make nominally an exemption of $4,500. On marriage that is cut down to $3,000 between them. The unfortunate part of it, in cases that have been represented to me, is that the law does not allow them to allocate that $3,000 either to the husband's income or to the wife's income. They are bound to divide it evenly, with the result that one of them may have a substantial income as against which an exemption of $3,000 would be a substantial reduction, while the other may have a small income, probably $1,500 taxable, as against which income the $1,500 would go and be of very little or no benefit. If the minister is going to make a common exemption of $3,000 instead of a joint exemption of $4,500, why should they not be allowed to apply that exemption to the husband's income or to the wife's income, whichever may be more profitable for the parties? This has always struck me as a very unfair provision. The minister knows the situation.

Mr. EULER: There is something in what the hon. member says.

Mr. GEARY: I wonder if that could not be dealt with. I think it is recognized in the department as being unfair. Could it be arranged in this bill or by regulation?

Mr. EULER: It is not touched in this at all. One would have to introduce another amendment.

Mr. GEARY: Section 3 touches it indirectly.

Mr. DUNNING: Quite indirectly.

Section 3 stands.

Section 4 agreed to.

On section 5.—Family corporations.

Mr. RYCKMAN: I think this proposed subsection (1) under section 5 operates unfairly. The law as it stood did not place a limit on the time within which shareholders might elect to have the income of the corporation dealt with as the income of a partnership and the shareholders were governed by the provisions of section 56 of the act which allows a corporation to claim a refund within twelve months of the date on which it paid its tax. Even with this period of a year in which to elect, many small corporations were precluded from reaping the advantages that this legislation was intended to give them, in view of the fact that they failed to make their election in time.

I submit that the minister has never attempted to direct the notice of the taxpayers to the provisions of this legislation. All of us receive forms T1, T2, T3, T4, and so on, but there is no form in relation to this taxation. All the forms that the minister sends out direct attention to the manner in which returns should be made, and certain exemptions are provided, but there is no return for a family corporation and no attempt has been made by the minister to call attention to the fact that a small corporation qualifying as a family corporation under section 2 (e) of the act is not liable to pay the corporation tax if election is made by the shareholders to be taxed as a partnership. That is unfair. I think this term of thirty days should be extended to at least one year as it was before. I understand that representations have been made to the minister, but I am not satisfied to have the matter glozed over without some attempt being made to say that there was error when the provision stood at a year. I therefore submit that this period of thirty days should be extended to twelve months in order that small corporation shareholders may all reap its advantages equally. Even to-day some have been able to elect for every year beginning with 1925 when the legislation became effective. Others that were late got only from 1926, others from 1927 and others from 1928. In conclusion, let me say I am not in anyway interested in any family corporation, but it seems to me it is not fair to the shareholders in a family corporation in relation to other taxpayers.

Mr. EULER: For the purposes of administration of the act, I think if the committee will consider it carefully, they will agree that it is not unreasonable that any corporation should know within at least a period of thirty days as to which form it comes under, whether it wants to be treated as a partnership or as a family corporation. It is a sufficient period of time, and no one can go wrong with regard to it, because I may tell the committee that the department intends on the passing of this

legislation to notify all corporations in the country of the new enactment, so they will have no excuse for saying later on that they were not notified that they had to make their election in thirty days.

Mr. RYCKMAN: I thank the minister for that much, but I would point out to him that the individual shareholder has the right to elect, and I do not have to mention twice to the minister that very often a shareholder is not aware of his privileges. He may not know the date of the annual meeting or how the company is carrying on, but some day he may learn that if he had asked, being a shareholder in a family corporation, to be taxed on a certain scale, he would have been so taxed, and the answer of the department may be: We could have done that if you had asked us the day before yesterday, but to-day it is too late. Therefore, I suggest that if you have a limit, make it a year, because thirty days is too short. There was no complaint that a year was too long, and there was no trouble in the department because the time was a year. I do not see why that could not remain as it was. I am glad that the minister has given this much consideration, but I would ask him to let it go at a year.

Section agreed to.

On section 6—Dividends of non-resident employees taxable.

Mr. SMOKE: On Saturday last when the resolution preceding this bill was under discussion I asked the minister how the government of Canada proposed to get at these non-resident directors, and his reply was to wait till the bill comes in. I do not see anything in the bill to cover that point. I would further point out what seems to me to be a little faulty drafting in the clause itself. It reads:

The income liable to taxation under the act of every person residing outside of Canada—

As I understand it, there is no income liable to taxation under the act of any person residing outside of Canada, and I think that that wording should be changed to bring the non-resident within the compass of the act. As I said before, I would also like the minister to point out how he proposes to get at these people. It must be remembered that the income tax is not payable until April of the following year. The moneys are paid out by the Canadian companies to their directors and shareholders in the year previous. Are you going to say that every company must know whether any employee or any shareholder is a non-resident of the Dominion of Canada, and impose the duty upon the company to deduct the tax of a certain amount—I do not know how much it is going to be—from the salary or dividend before it leaves the treasury of the company? I think that those points should be cleared up before this section passes.



Mr. EULER: The whole section is based on the assumption that the shareholder or director, if you will, is employed in Canada.

Mr. SMOKE: It says, not employed in Canada.

Mr. EULER: But the directors and employees are rendering service in Canada, which means that they must be employed in Canada. As to how we might collect from the shareholder in another country, I think my hon. friend who is a lawyer will realize that ways and means could be found of prosecuting and obtaining a judgment in the courts of Canada where the man is employed, and if he did not satisfy the judgment, his stock could be attached and sold.

Mr. SMOKE: His stock may been disposed of, or if he is an employee he may have left the employment of the company.

Mr. EULER: That may be done in any case, I suppose.

Mr. FRASER: Would a company like Brazilian Traction or Barcelona come under this section?

Mr. EULER: No. As a matter of fact, this memorandum will perhaps answer what my hon. friend has in mind. No tax arises unless the person renders service in Canada to a company carrying on business in Canada, and then only if he actually controls the company?

Mr. BENNETT: Actually controls the company?

Mr. EULER: Yes.

Section agreed to.

Section 7 agreed to.

Progress reported.

## SPECIAL WAR REVENUE ACT

The house in committee on Bill No. 311, to amend the Special War Revenue Act—Mr. Euler—Mr. Johnston in the chair.

On section 1—Excise tax on sale, transfer or assignment of stocks, bonds, debentures and debenture stock.

Mr. LAWSON: Last year when the method of taxation proposed by the 1929 amendment was introduced into this house, I took oc-

casion to point out to the then Minister of Finance and the committee the results which would probably flow therefrom and to state my objection to the provisions then proposed. This year the rate of taxation is reduced by the bill now before us, but the principle is maintained that was introduced in the amendment of last year. I submitted last year, first, that this taxation was excessive, secondly, that it was inequitable, and thirdly, that it would result in driving business from Canada to the United States. The amendment of last year came into effect on the first of July. It was in effect only six months of last year. For the nine months preceding the coming into effect of the 1929 amendment, the tax collected by the Dominion government on the sale and transfer of stocks was $921,967.07, while in the nine months succeeding the coming into effect of that amendment the tax collected was $1,894,382.97, or an increase of $972,000 odd. That, I submit, is excessive taxation, particularly when you have regard to the rates imposed by other countries and by the provinces. One exchange in 1929, the Standard Stock and Mining exchange, in spite of the fact that during the last half of the year the business done was only one-seventh of that done in the corresponding period of the previous year, paid in taxes to this government $765,029 on the transfer of shares, whereas they paid to the province, which is on the old basis, the provincial transfer tax the same as the American tax $200,041. In other words the Dominion collected from this source in the province of Ontario from one exchange $547,988 more than was paid to the province. What is the result? If you impose heavy taxation upon the transaction of business which can be done elsewhere, it will naturally flow to the other place. So we find that during last year the dividend-paying Canadian issues of the Canadian mining industry have been listed on the New York produce exchange, and two member-houses of that exchange have opened offices in the larger centres of Canada. They advertise for business— Canadian business, bear in mind—on the basis that you can do your business so much more cheaply through the New York produce exchange than through the Canadian exchanges.

Let me cite one or two examples—and from the reasonable attitude of the Minister of Finance I have some hope that he may be impressed by them. Suppose I wish to sell 100 shares of stock having a par value of $100, which stock is listed on both the Canadian and New York exchanges. In that case I pay the provincial tax of $3 and the Dominion tax of $4, or a total of $7. By doing my business through a New York exchange I pay the state tax of $2 and the federal tax of $2, or a total of $4. Let me remind hon. members I am dealing not with conditions brought about by the 1929 amendment, because they were much worse, but with conditions under the proposals now before the committee. Let me take another example: I desire to sell 100 shares of Teck-Hughes, a stock very generally dealt in in this country. The provincial tax is 3 cents, the Dominion tax $1, or a total tax of $1.03. I can transact the same business through a New York stock exchange for 2 cents state, and 2 cents federal tax, or a total of 4 cents. One more example which is even more striking. Let me assume that I wish to sell 100 shares of Lake Shore. At the moment Lake Shore, I think, is selling around $22, but ordinarily the price is about $26. My figures are on the basis of the ordinary price a few days ago. To sell 100 shares of that stock in Ontario I pay a provincial tax of 3 cents and the Dominion tax of $2, or $2.03. If I transact that business in New York state I pay a total tax of 4 cents, 2 cents state and 2 cents federal.

Surely it must be apparent to the government that this is a case in which we have specific evidence that by enacting this taxation you are driving Canadian business into American hands. And, bear in mind, you are driving the business of Canadians into American hands to be transacted in New York state. In fact, it is now proposed by an advertisement which I saw recently to incorporate—I am not so sure but what the actual act of incorporation has already been passed—in New York state a mining exchange upon which all the Canadian mining issues will be listed. They advertise quite openly that the object of that incorporation is to secure a tremendous volume of the Canadian business because it is so much cheaper to do business in the United States, particularly in the state of New York, than it is in Canada.

Now, I submit that in view of these facts the minister and the government should take into serious consideration, not the reducing of this tax further as they are doing this year, but the going back to the basis of taxation which was in force prior to the 1929 amendment, because that form of taxation is similar to the taxation in force in all the provinces and in all the states, and is equitable because it imposes an equal rate of taxation upon the high-priced and upon the low-priced issues.

The CHAIRMAN: Shall section 1 carry?

Mr. BENNETT: No. Is there any answer to what the hon. member for West York has said? Let us be frank about this transaction. Last session we on this side of the house pointed out that the proposals then made would be a failure, in that they were unjust, inequitable and unsound. The government persisted, but now they have abandoned them.

An hon. MEMBER: No.

Mr. BENNETT: Certainly they have abandoned them and are substituting another tax.

Mr. MANION: And during the election they will boast of lowering taxation.

Mr. BENNETT: Yes. But what is much more to the point is this; what did it cost to administer this tax? We were promised figures of this last year. What about the law suit in Vancouver? What about the bluff—and I use that word deliberately—that this act was ultra vires? This bluff was resorted to by Liberal lawyers to induce the people to believe that there was going to be a change this session. They said that it was an unrighteous law and illegal and would be declared so by the courts. Fortunately they cannot control the courts. Now, we are going to amend that legislation. What will be the effect on the taxes already accrued and not collected? What has been the cost of collection? The people want to know what this means.

Mr. EULER: I cannot tell exactly what it cost, but we have eight auditors engaged on this work at $2,800 a year each.

Mr. BENNETT: For the whole of Canada?

Mr. EULER: And of course we pay commissions to the stock exchanges for collecting the tax.

Mr. BENNETT: What has been the total collection?

Mr. EULER: Approximately the total collections last year were a little over $2,000,000 and the cost would be approximately $70,000 or $75,000. That was through the exchanges only, but the greater part of the collection is done that way?

Mr. BENNETT: I suppose the hon. gentleman realizes that on the basis of the alleged sales in the exchanges there must have been a great many transfers of certificates in blank if that is all the revenue he got out of it. Because we know, taking the figures of the transactions on the exchanges and adding them together for the first month of the year, if the tax had been collected as the then Minister of Finance thought it would be, instead of the manner in which it has been collected, namely by trying to check up the ultimate transactions while the stock certificates have been floating around endorsed in blank and passing by delivery with the result indicating that only $2,000,000 was involved, as the minister knows, not millions, but hundreds of millions of dollars would be the aggregate value of the transactions for the first nine months of the year.

[The Chairman.]

Mr. EULER: This is only the amount collected through the exchanges themselves. There was very little money lost through the exchanges. I will admit that audits have disclosed that the department did not receive what it should have received through other sources. This bill is to close some of the leaks. As a matter of fact we could not insist on the brokers keeping accounts; we are taking that authority under this bill.

Mr. BENNETT: I pointed out to the hon. minister last session that supposing I enter into a transaction to sell him certain shares of stock at $100; the certificate is endorsed in blank; it has not my name on it at all; I received it from somebody else; it is passed on by my friend to somebody else, and the exchange have no record of it. There may be no record of it of any kind. We pointed out to him then what this would lead to. You will check exchanges and check registers of the companies to see what has been done in that regard. The hon. member for South Timiskaming (Mr. Lang) last year voted and spoke against this measure. Some changes have been made, and I want to know what the results will be. I would ask the minister the result of litigation carried on in British Columbia; did the government pay the costs of all parties, or just part of the costs?

Mr. EULER: We were successful in both the British Columbia courts. As to transfers in blank between man and man I may say that they may pass through twenty or thirty hands, and my hon. friend will realize that their passage would be almost impossible to check. It would be just as impossible to check those transfers as to check the course of a ten dollar bill.

Mr. BENNETT: Did the government pay the whole of the costs in connection with the Vancouver litigation?

Mr. EULER: I am not certain.

Mr. BENNETT: We want to know, before the election.

Mr. MANION: May I ask the minister how the tax as it is rearranged now will compare with the tax as it existed before last year when the original change was made? Is this higher or lower?

Mr. EULER: It works out much lower. Does my hon. friend inquire whether we will receive less taxes?

Mr. MANION: I know it is lower than it was last year. The government last year brought in an increase in taxation; there was an increase per share to which we objected. Now you are withdrawing that increase, as you have done on so many different occasions, and you are going to undo what you did last year. Half of the time of this house has been taken up in undoing in one year what was done the year before. I am trying to find out how this figure compares with the rates as they were before the change was made last year.

Mr. EULER: It is impossible accurately to answer my hon. friend; the question was not anticipated. I am informed however by an officer of the department that perhaps we will get slightly more under the terms proposed here than we got before the changes were made last year.

Mr. MANION: As far as one can estimate it roughly, I thought the minister would answer in that way. At the moment I think this is a wrong system. Since the crash in stocks throughout the country the mining industry has been very seriously affected. It may have been properly affected, because I think there was an over-indulgence and an over-investment in mining stocks of the cheaper varieties; it may have been that there was some promoting done which should not have been done. Last night in the city of Toronto I was told of a claim owned by a company in which the gentleman to whom I was talking was interested. He told me that they had done a great deal of work on the claim, but that they could get no one interested. I do not think anything should be done which will interfere with the development of a growing industry in this country. I suggest to the minister that in view of the crash in the stock market, and the effect which it has had upon the whole mining industry, at this time it would be well to reconsider this tax and to endeavour to put it at such a figure that it would not be detrimental to the north country.

Mr. LAWSON: The Minister of National Revenue has made the statement, which he said was based upon information from the department, that the tax collected under this amendment will be very little more than what was collected prior to the 1929 amendment. That statement, to put it mildly, is widely in error, and to prove my contention I shall make some comparisons. Prior to the 1929 amendment the basis of taxation was three cents for each $100 par value of the stock sold. On one hundred shares of stock selling at a par value of $100 per share prior to the 1929 amendment, the Dominion tax would have been $3; it is now $4.

Mr. EULER: Under this?

Mr. LAWSON: No, under the law as it stood prior to the 1929 amendment. The basis of your taxation was three cents for each $100 par value. Therefore if you sold one hundred shares of $100 par value stock, sticking to the illustration I gave before, you would have collected prior to 1929 a tax of $3. Under the proposal contained in this bill No. 311, the tax would be $4. In the high priced issues there is not so much difference. Let me come down to the illustration I used in connection with the 100 shares of Teck-Hughes, and the sale of stock having $1 par value. Prior to the 1929 amendment three cents in taxation would have been collected. Under Bill No. 311 one dollar would be collected. On 100 shares of Lake Shore, prior to the 1929 amendment three cents would have been collected and under the present amendment, $2. That is the difference between the old tax and the new.

Mr. MANION: The remarks of the hon. gentleman, who has his facts carefully worked out, emphasize more stongly than I have done the point I had in mind. I think the government should hold over this tax; they should wait until to-morrow and reconsider the whole proposition, because in its present form it will result in great detriment to the mining industry of the north country.

Mr. BENNETT: Would the minister tell us at eight o'clock whether or not the costs of all parties in connection with the litigation in British Columbia have been paid by the government?

Mr. EULER: I shall try to.

Mr. LAWSON: I understood the Minister of Nationl Revenue to say that the expense in connection with the collection under this

tax of $2,000,000 revenue had been $75,000, through exchanges only. Does that $75,000 include in the cost of collection the percentage paid the exchanges for making collections?

Mr. EULER: That includes the commissions paid to the exchanges.

Mr. LAWSON: Is that the amount when the exchanges were being paid one per cent of their collections, or since it has been increased to 3 per cent?

Mr. EULER: Under the old arrangement of 5 per cent, which I regarded as too much and which I changed.

Mr. LAWSON: So that the rate got down to 1 per cent and was subsequently increased to 3 per cent?

Mr. EULER: Yes.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Certificate before distribution of assets.

Mr. BENNETT: There should be some promptness in connection with these matters. A case has been brought to my attention where because of delays in obtaining necessary information, relying upon what seemed to be a correct certificate, not issued by the government, it was found afterwards on investigation that further sums had to be paid. How nearly is the work of the department up to date?

Mr. EULER: Is my hon. friend referring to the sales tax audit?

Mr. BENNETT: No, I am referring to section 4 dealing with "Certificate before distribution of assets".

Mr. EULER: I am informed, I would say to my hon. friend, that really we are not in arrears on it at all now. Sometimes there is delay because the trustees have not submitted the balance sheet.

Mr. BENNETT: Before we leave these items there is another matter I wish to discuss. There has been a great deal of unrest in Canada in connection with the brokers' offices and the sale of shares. Certain investigations were carried on by federal and provincial authorities. The Department of National Revenue carried on certain investigations; reports were made and, as I understand it, such reports were submitted to the Department of Justice for action. On the very same day that they were communicated to the Attorney General of Ontario the leader of the Ontario provincial Liberal party, in the town of Waterloo, made a statement in terms similar to the statements contained in the statement sent to the attorney general. Did that emanate from the minister's office? I want an answer



Mr. EULER: My hon. friend need not demand an answer; he will get one. The Minister of National Revenue at no time had any communication of any kind whatsoever with the leader of the Liberal party in the province of Ontario.

Mr. BENNETT: That is not what I am asking.

Mr. EULER: Whether it emanated from my office I do not know, but it certainly did not emanate from myself.

Mr. BENNETT: Did the minister investigate when he knew the same words were used in that speech?

Mr. EULER: No; there was nothing to investigate.

Mr. BENNETT: There was a great deal to investigate; this strikes at the whole root of law and order in this country.

Mr. EULER: Let me say this to my hon. friend, that as far as I know there was absolutely no possibility of anyone outside of the office knowing, until some time after the Attorney General of the province of Ontario had been communicated with and given the information, what that information was, and no person would have an opportunity to give out that information.

Mr. BENNETT: Is the minister aware that there went out over the wires on that night, from the Kitchener Record—of which he is the proprietor, his name being at the top of it—the message "Watch Sinclair's speech to-night"?

Mr. EULER: I will say this to my hon. friend, having knowledge of the circumstances: The meeting that was called at Waterloo and which was addressed by Mr. Sinclair—and I suppose my hon. friend knows it was also addressed by Mr. Tweed, the local member there, who was associated with him—was called before the report had been received in the department from the auditors, as far as I know. I may say this also, that the meeting was called, to my certain knowledge, without any information being in a report, so there was no possibility of that information with regard to the stock brokerage firms being in the possession of Mr. Sinclair prior to the calling of the meeting.

Mr. BENNETT: That does not answer the question in any way, shape or form. It is not when the meeting was called; it is when the meeting was held that I am talking about.

Mr. EULER: Did not my hon. friend ask me whether I was aware such a report had appeared in the Kitchener Record? I happen to be the owner of that paper and I read it occasionally. Yes; I read the article, if that is the answer my hon. friend wants.

Mr. BENNETT: Is the minister aware that a flash message went over the Canadian Press from the Kitchener Record, saying "Watch Sinclair's speech to-night"?

Mr. EULER: I am not aware of anything of the kind at all; I do not know whether such a message went out or whether it did not. I doubt very much whether it did.

Mr. BENNETT: Then I will put this to the minister: Does he know this, that the language used by Mr. Sinclair in that speech was language which contained in exact terms the information sent from the Department of Justice to the Attorney General of Ontario?

Mr. EULER: Yes, I saw that.

Mr. BENNETT: The minister knows that?

Mr. EULER: Yes.

Mr. BENNETT: Has the minister taken any steps to investigate where the leak was?

Mr. EULER: No.

Mr. BENNETT: Although the minister realizes what the statute says as to leaks and as to this information being secret, he did not take any action? The minister knows what it says? He has taken no steps to ascertain where that leak occurred by which Sinclair was enabled to make a statement in Waterloo, at a public meeting, in terms exactly similar to those contained in the communication from the Department of Justice to the Attorney General of Ontario? That is the kind of government we have, is it? Is that the situation?

Mr. EULER: I think my hon. friend might give credit to the Department of National Revenue for giving the information to the department at Toronto.

Mr. BENNETT: To Sinclair.

Mr. EULER: No, not to Sinclair; I deny that absolutely. The department did give information, which it had obtained through its own investigations, for the benefit of the people of the province of Ontario, and the department passed on that information without making it public, as it might very well have done. It passed on that information to the Department of the Attorney General of Ontario for action, and he took action.

Mr. BENNETT: Exactly, and that answers the question. The Department of National Revenue investigated the brokers' offices in regard to taxes. They made investigations, which were supposed to be secret investigations, using the word in the proper sense according to the statute. As a result of those investigations——

Mr. EULER: What statute is that to which my hon. friend is referring?

Mr. BENNETT: The statute with respect to the whole question of income and other taxes says that these matters shall be kept secret.

Mr. EULER: I am not going to argue with my hon. friend, but I know of no such statute with regard to sales taxes or transfer taxes. Income tax is on a different basis altogether from these other taxes.

Mr. BENNETT: I am putting it on income tax basis.

Mr. DUNNING: It is not income tax

Mr. EULER: That is the Special War Revenue Act.

Mr. CANNON: That does not apply to this act at all.

Mr. BENNETT: It is the Income War Tax Act to which I am referring now.

Mr. DUNNING: But the question has no relation to the income tax.

Mr. BENNETT: Then we will leave that for the moment. The minister had his confidential officers, his auditors, make a report, which report was made to the department. Whether or not the statute requires such information to be kept secret I will leave for the moment. The auditors made the report. That report was transmitted by the Minister of National Revenue to the Department of Justice. The Department of Justice asked the attorney general, of course, to take the necessary action, because the Department of Justice says—

Mr. EULER: Merely transmitted the information.

Mr. BENNETT: The Department of Justice, of course, takes the ground that it has nothing to do with prosecutions, that each province must deal with those, and that department transmitted the information received

from the Department of National Revenue together with the report made by the minister's officials to the attorney general at Toronto. Now, the minister says he might have made that public. I say that is not so.

Mr. EULER: I am not sure that is exactly what I said, but I know of no law that would have prevented me from publishing that information if I had so desired. I did not do it, but I know of no law which would have prevented me from doing so if I had wished.

Mr. BENNETT: All I can say is that the practice of the departments is quite the opposite. I do not know about the law except in regard to the income tax, so we will not discuss that for the moment. We will leave that, but on the very same evening, before the department at Toronto could have taken any action Mr. Sinclair, the leader of the provincial Liberal party, made a speech in which he uses that information in the exact terms in which it has been communicated to the attorney general at Toronto. His words are exactly the same as the language in which the information was given. Then why select the leader of the Liberal party, the provincial Liberal party to make a public statement at Waterloo regarding the administration with regard to brokers' businesses in Ontario, resulting from information secured by the minister in his effort to collect a tax?

Mr. EULER: My hon. friend says "Why select the leader of the Liberal party in Ontario as the person to make that statement?" Is he saying to me that I made that selection? If not, what does he mean?

Mr. BENNETT: The hon. minister said he did not do it; I say it must have come from his department somehow.

Mr. EULER: I think not.

Mr. BENNETT: How otherwise could it have come?

Mr. EULER: I do not know, but I will say—and I ask the committee to believe this—that no information went to Mr. Sinclair, and nothing was ever intended to go to Mr. Sinclair, so far as I am concerned. I have no knowledge of anything that took place with Mr. Sinclair. I had nothing whatever to do with it, and Mr. Sinclair himself has stated publicly that he did not receive the information from the Minister of National Revenue.

Mr. BENNETT: It is unnecessary for any further statement to be made as far as the minister is personally concerned; everyone will accept his denial, I am sure.

[Mr. Bennett.]

Mr. EULER: My hon. friend objected that I made no investigation at all.

Mr. BENNETT: The minister says he made no investigation as to the leakage. I say it was a public duty which rested upon him to do so, because the responsibility rested upon him as head of the department. No minister can escape his responsibility by saying "I personally did not do it" when it is apparent that for some reason—which must have been political—the leader of the Liberal party in Ontario stands upon a public platform and makes a statement which is in terms identical with the communication sent by the Attorney General of Canada to the Attorney General of Ontario with respect to a matter about which that department had knowledge in consequence of the investigations carried on under the direction of the Minister of National Revenue. I say that this condition of affairs warrants an investigation, for why was Mr. Sinclair selected by someone to be put in possession of that information? Is that government? Does that represent the correlation of effort between the Department of National Revenue, whose business it is to find out the facts about non-payment of taxes, and the leader of a party in a province who is using the information for political purposes to condemn his opponents? I want to know. We want to know whether this government is conducting the business of the country in the public interest or as an ally and an adjunct of the Liberal party in a province.

Mr. EULER: I make no admission whatever, Mr. Chairman, that the leak was from the Department of National Revenue; in fact I make no admission that there was a leak at all. I leave it to the judgment of the members of this house, to those on the other side as well as to those on this side, that if the Department of National Revenue had chosen to play politics with this situation they certainly would not have submitted that information first to the Attorney General of the province of Ontario.

Mr. BENNETT: That was part of the game, the idea being to see that the department of the Attorney General of Ontario would not take action, but fortunately action was taken.

Mr. EULER: Exactly.

Mr. BENNETT: That was the whole game.

Mr. EULER: They had the information through the department.

Mr. BENNETT: They had obtained the information themselves because they did not get the letter, by some strange coincidence, until after Mr. Sinclair had made his speech. The minister has put his finger right on the spot; the whole game was to say that the department of the Attorney General of Ontario neglected its duty, and Mr. Sinclair was to go and make his speech. Fortunately for the department, the attorney general had obtained information from his own officers and took action, and the letter to which the minister refers was not received by the attorney general until after Mr. Sinclair had made his speech.

Mr. EULER: I am not going to prolong this debate; I cannot help it if my hon. friend draws a deduction which—

Mr. BENNETT: Those are the facts.

Mr. EULER: —is not substantiated by facts. The Department of National Revenue acted in absolutely good faith in trying to clear up what it considered to be a rotten situation existing among the mining brokers in the province of Ontario. The information was passed on in absolutely good faith for the attorney general of the province to take such action as he saw fit. Whether he took that action as a result of the information we gave him, or as a result of information which he had obtained himself, I am not going to say. I have no desire to impugn his motives, and I do not want to have mine impugned.

Mr. BENNETT: The hon. gentleman must remember that he is the head of a department, and as such he is responsible. If it was not his department that sent that information to the Attorney General of Ontario, then it was the Department of Justice, and that department indicated that the information was received from the minister's department. The Attorney General of Ontario received it from the attorney general at Ottawa, but the information, strange as it may seem, was not received in its entirety until after Mr. Sinclair had made his statement at Waterloo. How could Mr. Sinclair have made that statement unless he had received information from one of two departments, the Department of Justice or the Department of National Revenue? The Minister of National Revenue says that he had nothing to do with it, either directly or indirectly, nor did he know of it, and we accept gladly his word. But let us ask the other department whether that information was permitted to leak out. That information must have leaked out, otherwise Mr. Sinclair would not have been in possession of the information in connection with the taxes. There are the facts, and they demand some explanation.

Section agreed to.

Sections 5 to 8 inclusive agreed to.

On the title.

Mr. BENNETT: I would like to refer again to section 5. Upon what basis are these changes made?

Mr. DUNNING: All of the items in the old act are covered. That is, there is no change involved by the change in numbers. The effect will be exactly the same as it was under the old act.

Mr. BENNETT: Simply a rearrangement of items?

Mr. DUNNING: Yes.

Title agreed to.

Bill reported, and read the third time.

Mr. SPEAKER: Mr. Dunning moves that the bill do now pass and that the title be as on the order paper.

Mr. BENNETT: There was some information to be given this evening, and the third reading had better stand over till then.

Mr. DUNNING: The bill has had its third reading; we could allow the actual passing to stand if my hon. friend is afraid that he will not receive the information. Perhaps we had better do that.

Mr. BENNETT: It is not a question of being afraid, it is a question of parliamentary procedure. This bill should not leave the house until the information is given, and no one knows that better than the minister.

Mr. DUNNING: I recognize parliamentary procedure.

Mr. BENNETT: I am not afraid of anything.

Motion stands.

## BOUNTY ON COAL

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to provide for the payment out of the consolidated revenue fund of forty-nine and one-half cents per ton of bituminous coal mined in Canada and converted into coke in Canada and used in the smelting of iron from ore, or in the production of steel.

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 and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING: There was an amendment proposed at the last sitting of the committee, but I understand that it is not in order.

The CHAIRMAN: When this resolution was last before the committee, the hon. member for South Cape Breton (Mr. MacDonald) moved the following amendment:

And to provide that the money so paid or a portion thereof shall be devoted to the improvement of the position of the men employed in such plants either by way of increased wages or shorter hours or both.

In looking up the authorities, the following is found at page 546 of the thirteenth edition of May:

An amendment proposing to substitute for the resolution an argumentative justification for the refusal of that demand is out of order, as are also amendments proposed with a view to substituting an alternative scheme to that proposed with the royal recommendation.

With that authority, I have to rule the amendment out of order.

Mr. MacDONALD (Cape Breton South): Mr. Chairman—

Mr. DUNNING: If my hon. friend would wait until the bill has been introduced, I am sure that he will facilitate the course which he has in view. I propose to introduce the bill immediately and give it second reading.

Mr. CAHAN: Has the bill been printed?

Mr. DUNNING: Yes, and it will be distributed immediately the resolution is reported.

Resolution reported, on division, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 312, to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal.

Motion agreed to and bill read the first time.

Mr. DUNNING moved the second reading of the bill.

Mr. CAHAN: Should we not have the bill distributed before it is read the second time, so that we may know what the contents are?

Mr. SPEAKER: It will be distributed in a moment.

[Mr. Dunning.]

Mr. CANTLEY: I would like to say something in regard to the bill before it passes, and I desire to know whether or not I am prevented from doing so if you declare the motion carried.

Mr. DUNNING: Perhaps it can be agreed to take the second reading at some time later this day. This will give opportunity for distribution of the bill and for everyone to become familiar with its contents.

Motion stands.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

Hon. CHARLES A. DUNNING (Minister of Finance): It will be remembered that during the previous discussion one or two items were allowed to stand. Among them was the matter of grape juice which gave some concern I see that the hon. member for Lincoln is in his seat. He is familiar with the subject. My officers have had conferences with the grape growers and others interested in an effort to find some means to deal with this difficulty which has arisen within the past few weeks, but which has not yet become a real factor. There is considerable difficulty in arriving at a proper test for what is known as concentrated grape juice. When I spoke of the matter in the house before, I mentioned the growers' suggestion of what is called the Baume test. On examination it was found that the Baume test does not appear to be the standardized medium it was thought to be and it has been abandoned. What the growers now suggest is what I am about to read, as follows:

That the following item, enumeration and rates of duty be inserted in schedule A.

This will involve no change in the ordinary domestic grape juice item.

152b. Grape juice in containers of more than one gallon capacity each: British preferential tariff, 17½ per cent; intermediate tariff, 22½ per cent; general tariff, 22½ per cent.

The governor in council may by order in council direct that there be substituted for tariff item 152b in schedule A of the customs tariff, the enumeration of goods and the rates of duties of customs set opposite the said item the following:

152c. Grape juice in containers of more than one gallon capacity each: Testing not more than 1.074 specific gravity at 60 degrees temperature, per gallon: British preferential tariff, 20 cents; intermediate tariff, 25 cents; general tariff, 25 cents, and in addition thereto, for each increment of 0.01 in specific gravity above

1.074: British preferential tariff, 3 cents; intermediate tariff, 3 cents; general tariff, 3 cents.

From and after the publication of such order in council in the Canada Gazette, tariff item 152b as it appears in the said schedule at the time of the passing of this act shall be repealed and the provisions of tariff item 152c shall be substituted therefor.

The reason why the growers ask for this to come into effect by order in council is because they themselves are not yet absolutely assured of this method of testing the grape juice, and I must frankly confess, in the few weeks which have elapsed since the matter first became urgent, it has not been possible for the department to arrive definitely at what should be done and how the test should be applied with respect to concentrated grape juice. It is intended to investigate immediately as fully as possible any complaints that may come in from interested parties as a result of the very publicity which will be given to this provision, and then to bring the new duty into effect if that investigation shows this to be a practical method of meeting what everybody desires to have done.

Mr. BENNETT: Supposing it is not?

Mr. DUNNING: Then we are in the position of having grape juice in containers of more than one gallon capacity under the present rates: British preferential tariff, 17½ per cent; intermediate tariff, 22½ per cent; general tariff, 22½ per cent.

Mr. BENNETT: Those are the existing rates?

Mr. DUNNING: Yes.

Mr. CHAPLIN: I presume if the growers are satisfied, there is nothing further to be said. The only danger I can see is that if there is any delay about the matter, this year's crop will be lost, because, if a month or two goes by without anything being done, enough concentrated grape juice can be imported to destroy the price of the incoming native crop. I cannot for the life of me understand why it is necessary to do anything more than apply a percentage rate on the concentrated juice. As I pointed out a few days ago, if juice can be reduced from a five-gallon quantity to a one-gallon quantity, then you can make the duty on that concentrate five times as great. It would not be very hard to draft a clause which would cover that. If the juice is concentrated to the extent of only two to one, then the rate should be doubled. If it is three to one, the rate should be three times as great.

Mr. DUNNING: As my hon. friend will understand, the question which is worrying the growers is how to determine the extent of the concentration, whether it is five to one, four to one, three to one, and to base the rates accordingly.

Mr. CHAPLIN: The growers know what they want, and it is for the minister to put the thing into such shape that they can be protected. I do not care whether it is done by the Baume test or by any other test. I know this, that if concentrates are allowed to come in to ruin the business of these people, it is going to be a very serious thing for every farmer in that whole district.

Mr. DUNNING: I can assure my hon. friend that I am endeavouring to evolve something that will have the effect of meeting the desires of the growers. They have impressed me very much with their sincerity of purpose and fairness in the matter, and what I am here proposing is what is proposed by them and will be satisfactory to them.

Mr. CHAPLIN: I am quite satisfied as to the good intentions of the minister. I am only asking him to see that the matter is expedited so that no loss will come to these people.

Mr. DUNNING: I will undertake to expedite the matter so far as is humanly possible because I am keenly desirous of meeting this situation. Theoretical though it is, it is imminent and appears to be of practical moment. The intention certainly is to proceed immediately to deal with it. I have been consulting with my officers about it and I am quite sure that we can clear it up in less than a month.

Mr. PETTIT: I am informed by one of the wineries in my district at Niagara Falls that an agent for the California fruit growers has been soliciting orders in that district, and it is expected from information given out by him that at least one million gallons of concentrated grape juice will be shipped in here this year.

Mr. DUNNING: That information has been communicated to me.

Mr. PETTIT: So action is wanted at once.

Mr. BENNETT: I suppose the duty is sufficiently high to afford a measure of necessary protection to the Canadian grape grower as against this California competition.

Mr. DUNNING: What is intended is to proportion what is done to what already exists with respect to grapes. It is a matter of proportioning one rate to another.

Mr. CHAPLIN: The minister has not quite answered the question. If there is no attention whatever paid to concentrates, and concentrates are allowed to come in at the rate of duty proposed, that rate is not sufficient to take care of the situation; there is no doubt about that.

The CHAIRMAN: It is moved to insert the item accordingly.

Item agreed to.

Customs tariff—296. Flint, ground flint stone; feldspar, fluorspar; mica schist; cliff, chalk, china, or Cornwall stone, ground or unground, refuse stone, not sawn, hammered or chiselled nor fit for flagstone, building stone or paving: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. DUNNING: I think I can meet the point raised by my hon. friend from Kingston City very easily by inserting after the word "feldspar" in the first line the words "crude only," and then adding a new sub-item to item 296, reading as follows:

Customs tariff—296d. Feldspar, not further manufactured than ground: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.

That distinguishes between the crude feldspar and the ground feldspar, admitting the crude free under all tariffs, and imposing on the ground feldspar a duty of 10 per cent under the intermediate tariff, 15 per cent under the general tariff, and free under the British preference. That was the point my hon. friend raised, and he had every right to raise it on account of the magnesite which is alongside the feldspar.

The CHAIRMAN: It is moved that the item be amended accordingly.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—377a. Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton: British preferential tariff, $2.50; intermediate tariff, $4; general tariff, $4.50.

The CHAIRMAN: This item and items 377b and 377c are standing.

Mr. HEAPS: This is the item which was under discussion for a few moments last Friday evening when I objected to the increased duties granted to the corporation particularly on account of the conditions under which the men are compelled to work at Sydney, Nova Scotia.

In the first place, I think I ought to correct an impression which the Minister of Finance left with the house when he said that the men themselves had asked for this increased protection to the steel industry. That statement is only partially correct. It is quite true that a delegation of one or two workers from the steel mills at Algoma came before the tariff board and applied for some increased protection to the steel industry, but they in no way represented anyone beyond the men engaged in the steel industry at Algoma, and then only partially. They did not represent at all the men engaged in the Nova Scotia mills.

Mr. SIMPSON: Before my hon. friend leaves the Algoma end, while one or two men came down here, as he says, stating that they were representing the men and were in favour of this additional protection for the steel industry, I want to say that I have talked with a very great number of men engaged in the Algoma Steel works at Sault Ste. Marie, and generally speaking the men are unanimous in their wish for additional protection for the products of the Algoma Steel plant.

Mr. HEAPS: The hon. gentleman is just repeating what I said. I said that these men represented probably a large number of the men at the Algoma Steel plant, but I have also had representations made to me by quite a large number of men who object to anything being given to the company if the men receive no advantage from the company. Only last year or the year before when the Empire Parliamentary Union came here from Great Britain, a delegation of the men from the mills at the Soo appeared before them, and it is only the truth to say that they were shocked at the deplorable conditions which were revealed to them. I could bring communications to show that there are men at Algoma who object strenuously to this protection being given. The minister will realize, of course, how unfair it would be for me to give in this house the names of those men. What I was trying to point out in reply to the statement of the Minister of Finance, that the men themselves had asked for this increased protection, was that the only men who had asked for it were men representing a number of employees at the Algoma Steel works, and that there was nothing to show that the men employed at the steel works at Sydney wanted this increased protection. That was the point that I wished to make. I do not think that the Minister of Finance intentionally tried to convey a wrong impression.

Mr. DUNNING: I must here point out that the men in question from the Algoma plant appeared before the Tariff Advisory Board, and I must take their own representations as

to who they were and whom they represented, and they certainly stated, as the evidence will show, that they represented the employees of the Algoma Steel plant and were sent here by those employees. That is as I remember it; I am speaking from memory.

With respect to the other steel plant, there is no doubt at all because there are resolutions in the possession of the government and of myself purporting to come from the men and the men's organizations in that plant.

Mr. HEAPS: Asking for this increased protection?

Mr. DUNNING: Undoubtedly.

Mr. HEAPS: Let me read something that took place before the tariff board itself, and which I accept as being correct. I refer to the report of the hearing before the tariff board on January 29, 1929. It was on this hearing that I believe the action of the government was based. The Reverend J. H. Hamilton was present and said, in part, as follows:

> The plant committee, representing 3,000 workmen of the Dominion Iron and Steel Company, sent a request to our association—that is, the Ministerial Association of Sydney—asking us to use our influence in helping them to secure an eight hour day.

That statement was made before the tariff board. He proceeded to deal with the conditions, but all through his remarks there is nothing but a demand that something be done on behalf of the men employed at the Sydney steel plant. He pointed out the very deplorable conditions prevailing there and said in effect that they were a disgrace. The Reverend Mr. Hamilton also referred to the Robertson commission which was appointed by the present government in 1923. Perhaps I might quote the following recommendations made by that commission in 1924, which recommendations also were submitted to the tariff board. This will be found in the report:

> The commission are of the opinion that the hours of labour have been excessively long in some departments of the plant under the two-shift system of operation. The commission recommends that in the interests alike of the company and the workmen, early and earnest attention be given to the elimination of the twenty-four hour change-over period and to the abolition of the seven-day week. The commission recommends that the question of adopting the three-shift plan, eight hours per shift, in the departments of continuous processes, and a maximum of a ten-hour day for the workmen be given the most careful consideration. In our opinion the change would be advantageous to the company and beneficial to the men, and should be adopted.

At little further on the Reverend Mr. Hamilton made this statement:

> The men, of course, were aware of these findings, and their expectations were raised also by the parliament of Canada accepting the labour convention of the treaty of Versailles in regard to the hours of labour.

Evidently, so far as the mills at Sydney were concerned, where approximately 3,000 men are employed, no representations have been made on behalf of the men, openly at least, to the tariff board in favour of increased protection. However, the men have been led to believe by the recommendations of various commissions that something would be done on their behalf. As far back as 1919 when Sir Robert Borden signed the treaty of Versailles the men had great expectations that something would be done for them. In fact in this house a statement was made by the Hon. Mr. Rowell that the signing of the treaty of Versailles represented the magna carta of labour. He expressed his pride that it was Sir Robert Borden, the Prime Minister of Canada, who moved that the labour convention be incorporated in the treaty.

Now, correspondence took place between the officials of the steel plant and the government of Nova Scotia. I have in my hand a letter which is rather interesting because it is signed by Hon. G. Harrington, Minister of Mines for the province of Nova Scotia. It is in part as follows:

> In explanation I may say that without equal action throughout the Dominion so as to bring other plants on the same basis as your own I greatly fear that what your coworkers would make up in improved conditions or hours of employment they would be liable to lose in the amount of employment they would receive annually. That is why I was anxious to have the federal authorities attempt to get a uniform measure for the Dominion. At the same time I may tell you the deputy minister informs me that he believes he is making progress towards at least a partial solution and I must say it appears as though your general manager there is inclined to be sympathetic and fair from what my deputy tells me. All told, it looks as though if everyone is patient, something satisfactory may be worked out yet.

This letter, dated from Halifax, Nova Scotia, on December 12, 1928, was written to one of the workers at the Sydney plant. It is nearly two years ago, but nothing has yet been done to ameliorate the deplorable conditions. Letters have also passed between the federal Minister of Labour (Mr. Heenan) and the Minister of Mines in Nova Scotia, Hon. G. Harrington. Let me quote from a letter dated December 27, 1927, signed by the Minister of Labour here and directed to Colonel the Hon. G. S. Harrington, Minister

of Public Works and Mines, Halifax. I am putting these letters on record to show that the matter has been under advisement by the federal Department of Labour for a number of years, and that it is time something was done to improve the working conditions of the men employed at Sydney. This is the portion of the letter to which I wish to direct the attention of hon. members:

> I quite agree with you as to the desirability of uniformity of legislation on labour matters in Canada and will be glad to have your cooperation in bringing this about. It is doubtful if much can be accomplished in this direction by correspondence, and probably the more effective plan would be to have the subject considered in conference between those who are charged with the administration of existing labour laws in different parts of the country. If it should be the case that you will be coming to Ottawa this winter, I should be very glad of any opportunity to talk things over.

A little further on the writer says:

> In case the same may be of any service I am sending you herewith copy of a publication of the Department of Labour containing the text of part XIII of the treaty of Versailles relative to labour, in which you will find a reference to the eight hour day in article 427.

And yet, Mr. Chairman, although it is approximately three years ago that this correspondence took place between our Department of Labour and the Department of Mines in Nova Scotia, nothing has been done towards relieving the deplorable conditions existing in that province. The men are still working under the same disgraceful conditions as in 1919 and 1920. The two-shift period system still prevails. But notwithstanding that the government know full well these conditions still exist, they are giving to the steel company at Sydney and to the Canadian steel industry in general a very decided advantage in the way of increased tariff preference.

A few moments ago when the hon. Minister of Finance was discussing the question of the tariff in connection with grape juice he stated that the growers of grapes desired the proposed change to be made. In other words, he paid great attention to what the growers themselves wanted. On other occasions I think we have heard in this house the statement that "the industry have asked for this particular thing". And because the industry or those who produce a certain commodity have asked for increased tariff protection, the Minister of Finance and the government have been quite pleased to incorporate their requests in the budget. Now, labour comes along and makes a certain request, and what do we hear from the government or from the Minister of Finance? We are told: "It is impracticable, it cannot be done." I refer to this to point out the different way we treat the manufacturer on the one hand and labour on the other. The minister shakes his head, meaning, I suppose, that his desire is to be just as fair to the employees as he has been to the employers in this particular case.



Mr. DUNNING: Hear, hear.

Mr. HEAPS: I am going to accept that statement of the minister unreservedly and point out that one way in which he can show his fairness will be to withdraw entirely the steel schedules from the tariff bill until such time as the employers who are going to benefit thereby put into effect improved labour conditions, including the eight hour day.

I had great hopes that something would be done last Wednesday evening when the leader of the opposition made a suggestion which he asked the Minister of Finance to embody in the tariff resolution. The Minister of Finance pointed out that it was impracticable. However the suggestion of the leader of the opposition was a good one, and I was very pleased indeed to see how quickly it was taken up by the Prime Minister. In the meantime I am very sorry to see how quickly it has been dropped both by the Prime Minister and by the leader of the opposition. However I hope before the bill is passed the Prime Minister and the leader of the opposition will have an opportunity to vote for the resolution even if the leader of the opposition does not happen to move it himself. Why has there been this sudden change since last Wednesday evening? It is very difficult indeed for the average person to understand why the sudden change has taken place. The report was broadcast throughout the length and breadth of this Dominion that the government and the House of Commons as a whole were almost unanimously in favour of doing something to further the acceptance of the eight-hour day. It was felt throughout the land that the House of Commons was in favour of introducing the eight-hour day into the steel mills of this Dominion. Then on Friday evening the leader of the opposition stated from his place in the house that he did not think the resolution was in order, and the Minister of Finance claimed that the idea was impracticable.

The hundreds of thousands of workingmen in this country are watching with a good deal of interest the action of the government in regard to this particular question. A more or less definite promise has been made by the leaders of the two major parties in the house. I do not say that a definite promise would be immediately put into effect, but I do say that an implied promise was given and

the leader of the government and the opposition were in favour of doing something to inaugurate the eight-hour day in the steel mills of Canada where conditions are in a deplorable state. When we have decided to give something to these large corporations it would seem to me that the time is opportune to compel them to accept the eight-hour day. I would like to know why there has been a sudden change of front; why has there been a change of opinion since last Wednesday evening? I know it has been stated that directors of Besco have been seen around the corridors, and it is quite possible that the pitiful stories of these millionaire directors may have touched the hearts of some hon. members of this house. The men in the mills have had nobody to plead their case; they could not afford to send advocates to the house; hence other hon. members and myself intend to plead the case for these men who in our opinion require more protection than the directors of Besco. The conditions under which these men are working are known to practically every hon. member and it would work a great wrong on them if we passed measures for the relief of the shareholders and did nothing for the men employed in that great industrial concern. Sometimes we hear it suggetsed that when adjustments are made we are attempting to hold an even balance between capital and labour; in this case however it is quite apparent that the balance is weighted against the interests of the labouring men.

I am asking for consideration for the steel workers. They have lived and raised their families in the hope that something would be done for their relief. To what have these men to look forward in life? They work thirteen hours, which means that they are absent from their homes at least fourteen hours, leaving them ten hours each day to sleep, rest, and be ready for the next day's work. This continues seven days of the week for fifty-two weeks in the year.

What is this house going to do? I observe in the bill which the Minister of Finance brought in a few minutes ago, bill No. 312, which deals with the bounty on coal used in the steel industry, that he is putting in clause 2 thereof a provision which makes the granting of the bounty conditional upon the adoption by the province of Nova Scotia of certain provisions contained in the treaty of Versailles. I think that represents a new provision in the act; I do not know whether such a provision has been suggested before in this house. Under these circumstances I must congratulate the government on having adopted this principle so far as the bounty on coal is concerned. I would also ask the government to do something for the men employed in the steel industry of Nova Scotia.

Mr. DUNNING: The bill does something.

Mr. BENNETT: It does not touch the steel industry.

Mr. DUNNING: Oh yes, it does.

Mr. BENNETT: Not these steel items.

Mr. HEAPS: This refers only to the bounty and does not affect the tariff. The tariff will be operative, and it will give an advantage. All we are doing is to give one advantage instead of two.

Mr. DUNNING: The reason is that it is more practical to operate under the bounty. As yet I have found no practical means of making it work under the tariff. If my hon. friends have any suggestions as to how it might be made to operate in a practical way under the tariff without disarranging the industry throughout the country, I should be pleased to listen. I thought I would be meeting the situation when I endeavoured to attach a condition in respect to the bounties, and that it would have a salutary effect.

Mr. HEAPS: I appreciate the action of the government in that respect, and I congratulate them on including such a provision. I have made a practical suggestion to the minister; I have asked him not to put into effect these increases in the tariff until such time as the industry has adjusted itself to the new conditions which some of us are demanding.

Mr. DUNNING: Is my hon. friend referring to the whole iron and steel schedule?

Mr. HEAPS: I am referring to sections 377, 377a, 377b and 377c. There is nothing impracticable in my suggestion. This matter could be held over for a year, and when the industry is prepared to do something for the men the Minister of Finance might be prepared to do something for the industry. I think I am making a very reasonable request.

At six o'clock the Speaker resumed the chair and the house took recess.

## After Recess

The house resumed at eight o'clock.

## PRIVATE BILLS

### ARTHUR CAMERON

The house in committee on Bill No. 284, for the relief of Arthur Cameron—Mr. Young (Toronto Northeast)—Mr. Johnston in the chair.

On section 1—Marriage dissolved.

The CHAIRMAN: There are a number of unopposed divorce bills which were reported without amendment from the select standing committee on miscellaneous private bills to-day. It has been moved and seconded that they be considered this day.

Mr. GARLAND (Bow River): May I ask if it is usual to request the blanket passing of a number of bills of this kind when they are not even on the order paper? I have no objection, but I suggest that the proceeding is rather unusual.

The CHAIRMAN: It has been done before at the close of a session.

Mr. GARLAND (Bow River): Then may I ask why they have not been printed on the order paper?

The CHAIRMAN: They were just reported to-day to the house, and a special motion was made that these bills be taken into consideration this day in committee of the whole and for third reading. That is usual at the end of a session.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed on division.

### CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 286, for the relief of Gertrude Margaret Gilmour.—Mr. Hay.

Bill No. 288, for the relief of Vera Irene Collins.—Mr. Hocken.

Bill No. 297, for the relief of Lena Hogarth.—Mr. Boys.

Bill No. 301, for the relief of Isadore Sabbath.—Mr. Glen.

Bill No. 302, for the relief of Gladys May Carter.—Mr. Lawson.

Bill No. 303, for the relief of Dorothy Stansfield.—Mr. Sanderson.

Bill No. 304, for the relief of George Washington Latta.—Mr. Lawson.

Bill No. 305, for the relief of William Henry Wardell.—Mr. Church.



Bill No. 314, for the relief of Nellie Carr Weeks.—Mr. Kay.

Bill No. 315, for the relief of Donald Burwell Ross.—Mr. Black (Yukon).

Bill No. 316, for the relief of Cherry Ray Fletcher.—Mr. Lawson.

Bill No. 317, for the relief of Eleanor Somes—Mr. Casselman.

Bill No. 318, for the relief of Hazel May Rowland.—Mr. Casselman.

Bill No. 319, for the relief of Reginald Ernest Ball.—Mr. Casselman.

Bill No. 320, for the relief of Marion Elizabeth Gamsby.—Mr. Sanderson.

Bill No. 321, for the relief of Ethel Long Nightingale.—Mr. Lawson.

Bill No. 322, for the relief of Winnifred May Cahill.—Mr. Ryerson.

Bill No. 323, for the relief of Gertrude Lockhart.—Mr. Garland (Carleton).

Bill No. 324, for the relief of Frederick Max Quick.—Mr. Young (Toronto Northeast).

Bill No. 325, for the relief of Daniel McQuistan.—Mr. Garland (Carleton).

Bill No. 326, for the relief of Anna Ruel.—Mr. McPhee.

Bil No. 327, for the relief of Ethel Adine Ross.—Mr. Bell (St. Antoine).

Bill No. 328, for the relief of Ronald Paterson.—Mr. Boys.

Bill No. 329, for the relief of Rosanna Christena Jarrett.—Mr. Black (Yukon).

Bill No. 330, for the relief of James Lean.—Mr. Anderson (Toronto-High Park).

Bill No. 331, for the relief of Lyall John MacDonald.—Mr. Casselman.

Bill No. 332, for the relief of Essa Mulant Durry.—Mr. Casselman.

Bill No. 333, for the relief of Esther Eleanor Zryd.—Mr. Casselman.

Bill No. 334, for the relief of Ira Jane Gertrude Rea.—Mr. Casselman.

Bill No. 335, for the relief of Thomas Green.—Mr. Gray.

Bill No. 336, for the relief of Inez Elizabeth Gross.—Mr. Pettit.

Bill No. 337, for the relief of Viola Turquand.—Mr. Spence.

Bill No. 338, for the relief of Norville Alberta Gourley.—Mr. Lawson.

Bill No. 339, for the relief of Martha Brown Hemsley.—Mr. Hepburn.

Bill No. 340, for the relief of Edward Buker.—Mr. Spence.

Bill No. 341, for the relief of Herbert Machen.—Mr. Spence.

Bill No. 342, for the relief of Majorie Mary Gwendolyn Dempsey Davis.—Mr. Garland (Carleton).

Bill No. 343, for the relief of Wilfred Nathaniel Bickle.—Mr. Ross (Moose Jaw).

Motion for third readings agreed to on division.

STAUNTONS LIMITED PATENT

The house in committee on Bill No. 300, respecting a certain patent of Stauntons Limited—Mr. Geary—Mr. Johnston in the chair.

On section 1.—Authority to commissioner of patents to extend the duration of the patent for five years from the date on which it would otherwise expire.

Mr. GARLAND (Bow River): What bill are we considering now?

The CHAIRMAN: This is bill 300, respecting a certain patent of Stauntons Limited.

Sir GEORGE PERLEY: I notice this is one of these patent applications, and I should like to know whether the commissioner of patents has been consulted.

The CHAIRMAN: The sponsor of the bill is not here, but perhaps the Secretary of State knows the circumstances.

Mr. RINFRET: I have explained many times, and I must repeat, that these bills do not emanate from my department, and I have no information with respect to this bill.

Mr. GARLAND (Bow River): Then I would suggest that this bill stand until the sponsor is present.

Sir GEORGE PERLEY: Is the chairman of the committee here?

The CHAIRMAN: No.

Mr. RINFRET: Perhaps at this stage of the session we might try to accommodate the hon. member, but we have not the bill before us and I have no information about it.

The CHAIRMAN: There is just one section to the bill, and if it would meet the wish of the committee I might read it.

Mr. GARLAND (Bow River): I do not desire to hold up the house at this late stage of the session, but I do submit that when the bill is not printed, is not on the order paper and is not named on the orders of the day, the members of the house are at least entitled to a statement by the chairman or some member of the committee. If there is a member of the committee present who can tell the house that the bill has been considered and that in the opinion of the committee it is all right, I will have nothing further to say.

Mr. J. E. LETELLIER de ST. JUST: As a member of the committee I will say that the bill was discussed this morning and it was decided that the extension of time should be granted.

Mr. GARLAND (Bow River): There was no objection, I take it?

Mr. J. E. LETELLIER de ST. JUST: Only from one member.

Mr. FANSHER (Lambton): I may say objection was taken to the bill this morning; a representative of the patent office presented what I thought was a very clear case as to why the extension should not be granted.

Mr. GARLAND (Bow River): Under these circumstances I would ask that the bill stand until the sponsor is present.

Sir GEORGE PERLEY: Perhaps it might be understood that since we have proceeded in rather an irregular fashion to-day, and have taken up different matters one after the other, the bill might be considered again if the sponsor should appear. This may be the last chance to put the bill through.

Mr. DUNNING: Am I to presume that we will be back in committee on private bills again, or is this the end of private bills for to-night?

The CHAIRMAN: I suppose this will end private bills for to-night.

Mr. DUNNING: It would be rather difficult to revert to private bills.

The CHAIRMAN: Shall I report progress on Bill No. 300 and ask leave to sit again this day?

Some hon. MEMBERS: Carried.

Progress reported.

STANDING ORDERS COMMITTEE

Mr. L. S. RENE MORIN (St. Hyacinthe-Rouville) presented the fourth report of the select standing committee on standing orders.

Mr. MORIN moved that the report be concurred in.

Motion agreed to.

## PRIVATE BILLS

### STAUNTONS LIMITED PATENT

Mr. G. R. GEARY (South Toronto) moved that the house go into committee on Bill No. 300, respecting a certain patent of Stauntons Limited.

Motion agreed to and the house went into committee, Sir Eugene Fiset in the chair.

On section 1—Authority to the commissioner of patents to extend the duration of the patent for five years from the date on which it would otherwise expire.

Mr. IRVINE: Mr. Chairman, I think the committee should have some explanation. When this bill came before the private bills committee it seemed to me to be a very reasonable one, but after I heard the objections raised by the department to the granting of the extension, I thought it would be better if this bill were not passed. As far as I am aware, the patent has three years to run, and this company comes forward and asks for an extension of time before the final expiry date. The company claim that it is their intention to make a large expenditure of money and they desire some assurance that this extension will be granted, but should this be done it would be creating a precedent in patent law. That is an argument which should appeal to both sides of the house. The real point at issue is the fact that there have been improvements made in this patent and other men are waiting for the expiration of the present patent in order that their improvements may be brought into force. If this extension is granted it will mean that those men will have to wait a longer period before they are allowed to exercise their patent rights. If any good reason can be advanced why the time should be extended, I think the sponsor of the bill should now give it to the committee.

Mr. GEARY: Mr. Chairman, the bill was discussed in the committee and has finally found its way into the house. It is the ordinary bill for the extension of a patent. There may be a claim that someone else would apply for a patent if this company did not go on, but this is a substantial firm who intend to proceed with their work. They require this extension in order to take advantage of the money which they intend to spend in order to manufacture the article. There may be some objections raised by the patent office, but with only one dissenting voice the committee passed the bill. The committee took



that action after full consideration, and I do not think any advantage could be gained by my entering into a long discussion on the matter.

Mr. GARLAND (Bow River): How long has the patent been in the possession of the company?

Mr. GEARY: I have forgotten, but I understand it has three years still to run.

Mr. GARLAND (Bow River): How long has it been in force already?

Mr. GEARY: I believe for five years.

Mr. GARLAND (Bow River): The patent itself has been in effect for a longer period than that, for about fifteen years?

Mr. GEARY: I think so.

Mr. GARLAND (Bow River): Mr. Chairman, I protest against this bill in particular, and I protest against the passage of these renewal of patent bills in general. In some cases there have been extenuating circumstances which justified our action, but such is not the case with the present bill. I understand that the patent was granted for about fifteen years, and has about three years to run. It has been in the possession of the present owners for five years, and before the expiration of the patent they come to us and ask us to give them a further renewal. I think it is absurd; I think it is impertinent that they should come into this house and ask for such renewal. My objection is further buttressed by the fact that the officials of the department concerned appeared before the committee and registered definite objections against the bill. I think the committee will be making a serious mistake in adopting the principle involved in the passing of this bill, and I am definitely opposed to such action.

Mr. SPENCE: This bill came before the private bills committee this morning; it was discussed for over half an hour, and with one exception no objection was offered. The company in question is a reputable one, and they have been labouring under difficulties for many years. It is the intention of the company to erect this year a new building which will cost from $350,000 to $400,000, but are not disposed to make such an expenditure unless the patent is extended for a further five years. This industry will be considerably injured if the bill does not go through, and I think it is our duty to give consideration to the industries of this country.

Sir GEORGE PERLEY: What article is manufactured by this company?

Mr. SPENCE: Wallpaper.

Mr. ILSLEY: I am opposed to the bill unless a better explanation can be offered for its passage than has been advanced by the two hon. gentlemen opposite. I agree with what the hon. member for Bow River (Mr. Garland) has said about the bill. I had no knowledge until a few moments ago that there was such a bill before the committee, but I remember distinctly that two or three years ago a similar bill was introduced into the house to extend the patent on some sort of concrete pipe. I think that bill was introduced by the hon. gentleman who has just taken his seat, the hon. member for Parkdale. I remember very distinctly the stand that was taken at the time by the Minister of Trade and Commerce that we should not extend these patents. I do not know of any precedent in the house for this bill. If we begin the practice of extending patents, we open the whole field of applications. I thought, of course, when the hon. member for South Toronto was giving reasons why the committee should pass the bill, we would hear some real reasons, but none have been forthcoming. The patent appears to have run for fifteen years already.

Mr. GARLAND (Bow River): Twelve years.

Mr. SPENCE: The firm has had it for only five years.

Mr. ILSLEY: It is neither here nor there whether the present owners have had it for five, ten or fifteen years. The patent has run within three years of its expiration and unless some better explanation than this is given, I shall have to oppose the bill regardless of what action the private bills committee has taken.

Mr. SPENCE: During the few years I have been in the house I have many a time seen patents extended. There was an exception in the case of one that I had charge of some years ago; some of the committee opposed me and I was beaten out by manipulation in the house. If the hon. member realized the conditions as we do, I am sure he would agree to grant the extension.

Mr. FANSHER (Lambton): The request for the renewal of this patent is an extraordinary one. If it were a patent in connection with some machinery, it might have some claim on our consideration, but it is a patent on a process for the manufacture of wallpaper, and the fact that it is a patent on a process gives the firm a complete monopoly in that line. It will be remembered that wallpaper has a protection at present of 35 per cent, and to extend the patent three years before its expiration, thus giving a complete monopoly on a process of manufacture, seems to be forcing privilege to the extreme. I think it would be wise to wait at least until the expiration of the present patent before we consider granting any extension of time.

Mr. GEARY: I do not know that I can give any further reasons. I wonder what the hon. member for Hants-Kings wants that has not already been given in the way of reasons. In this case there is no question of validity or law or practice. Patents have been extended from time to time; it is nothing new in the house to grant such extensions. This patent may have been dormant for some time, but a reputable firm now possesses it, intends to use the process and is spending its money in that regard. If, however, it is to have only three years in order to get any return from its investment, that is too much of a risk for any enterprise to assume. The firm has put the matter very frankly and plainly before the committee and it was most thoroughly discussed. All that is wanted now is the grace of the committee and the house and I consider sufficient reasons have been given why the patent should be extended.

Mr. COOTE: I think we have a good right to ask the sponsor of the bill what the firm have been doing with this patent for the past five years. Why they have not made use of it and what was done during the seven years prior to that. I quite agree with those opposing the bill.

Mr. GEARY: Perhaps I have been a little obscure in my explanation. For three years the firm has been manufacturing, but it desires to extend and to put more money into the business. The point is that it is not good business to put that money in for simply three years, which is the present life of the patent. The firm has been bona fide in its operations under the patent since it bought it.

Mr. ILSLEY: The hon. member has made a case for the interests of the firm, but in what way is it in the public interest to extend the patent?

Mr. SPENCE: The public are not worrying about it.

Mr. GEARY: If my hon. friend's argument is sound, we should never give an exclusive

right to the use of a patent, but it has been determined time and again that people who have patents have some right to the exclusive use of the process that is patented.

Mr. JACOBS: I had a couple of these patent bills before the house last week and they went through without any opposition at all. Why make fish of one and flesh of another.

Mr. IRVINE: There is a great difference between this bill and the bills my hon. friend sponsored some days ago. This bill is in connection with a patent that has still three years to run. I think the patents referred to by my hon. friend had expired or almost expired when he asked for extensions. Let us wait until the expiration of the patent and then consider its extension.

Mr. McGREGOR: The hon. gentleman says: Let us wait until the patent expires. The reason these people are asking for an extension is this: they have been doing business in Toronto for seventy years; they want to extend that business; they want to spend $300,000 on a new building and new machinery. Unless they can have this patent extended, they cannot enter into that expenditure. They are at present employing 200 men and they expect to employ 400 men when this scheme goes through. I do not see any reason why the hon. member should deny to an industry in Toronto what has been granted to other people.

Mr. GARLAND (Bow River): I object to the remarks of the last speaker. There is no argument in the sentences that he has uttered. This is a company asking for a monopoly charter from the House of Commons on this particular patent when the department informs us there are two or three other concerns willing to go into this very operation and business.

Mr. SPENCE: There is no such firm.

Mr. GARLAND (Bow River): I am so informed.

Mr. GEARY: The hon. member for Bow River, if he is giving us statements that are based on information, should state the source instead of making the statement as though he knew it of his own knowledge.

Mr. GARLAND (Bow River): I am informed by one of the members of the committee.

Mr. GEARY: The hon. member did not so state.

[Mr. Geary.]

Mr. GARLAND (Bow River): I am informed by one of the members of the committee that an official or officials of the department appeared before the committee and stated that several firms were willing to engage in this particular work. Therefore the likelihood is that instead of having 400 additional men, we may have 800 or 1,000 additional men employed if we do not grant this extension. In the meantime what is the position with regard to the consuming public? If we grant this extension, we give the firm a monopoly that will enable it to charge high prices because of the control of the patent and the fact that there is no competition. If the members present represent the interest of the people and not that of the manufacturers, I ask them to oppose this bill.

Mr. McGIBBON: The committee should have some consideration for stability in business. What are the facts? This man has an idea and a process. Other people simply want to steal it. Is parliament going to give sanction to that or is it not? You cannot expect any firm to invest a large sum of money in a process of manufacturing for simply two or three years.

Section agreed to on division: Yeas, 81; Nays, 40.

Bill reported, read the third time and passed.

## DOMINION ELECTIONS ACT

CONCURRENCE IN THIRD REPORT OF COMMITTEE

Mr. C. G. POWER (Quebec South) moved concurrence in the third report of the special committee on the Dominion Elections Act and the Corrupt Practices Inquiries Act.

Motion agreed to.

## DOMINION ELECTIONS ACT

Hon. LUCIEN CANNON (Solictor General) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to bring in a bill to amend the Dominion Elections Act to carry into effect the recommendations of the special committee appointed to consider the Dominion Elections Act and the Corrupt Practices Inquiries Act submitted to the house on the 23rd May, instant, and to provide for the appointment of a legal adviser to the Chief Electoral Officer in reference to any matter relating to the pending general election.

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

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Resolution reported, read the second time and concurred in. Mr. Cannon thereupon moved for leave to introduce Bill No. 309, to amend the Dominion Elections Act.

Motion agreed to and bill read the first time.

Mr. CANNON moved the second reading of the bill.

Mr. BENNETT: Explain, please.

Mr. CANNON: This bill, which is now printed and ready for distribution, is in conformity with the committee's report. Briefly, section 1 provides a slight amendment to the provisions which was adopted last year in reference to summer residents. Section 1 is to the effect that when an elector is working in one part of a constituency, and has been there long enough to entitle him to vote at that place rather than his usual place of residence, he will be entitled to vote where he is earning his living provided it is in the same constituency. This is to meet a demand made by some of the western members, and to meet also the requirements of some of the labour people. It will be a convenience not only to the west but to the east, in such places as Seven Islands, in Charlevoix-Montmorency county, and other places of that kind, as it will save the voter travelling a very considerable distance to register his vote.

Section 2 lays down rules for a new system which will be adopted in the urban constituencies whereby a double set of enumerators will be used in making up the voters' lists. Last year the act provided for one set of enumerators; this year we have regulations to the effect that there shall be two sets, to make sure the list is as regular and as complete as possible.

Section 3 provides for by-elections. Under the new system inaugurated by the act last year, when a writ of election in any electoral district is issued within six months after a general election there will be no necessity to go through the long process of making up new lists; the lists in the hands of the chief electoral officer at the time will be used for the by-election.

Section 4 provides for the voting of blind men. Representations were made to the committee by blind people to the effect that the present system might be improved, and that a blind man who wishes to vote might be accompanied by a friend who would vouch for him and would also swear that he had accompanied but one man to the poll. This is now provided for and takes the place of the procedure to which they objected.

Section 5 applies to the constituency of Regina, where instead of providing for eight days between nomination and polling the interval will be fifteen days. I may say that the committee made this recommendation with the understanding that if any other member of the house wishes a similar change in his constituency it will be made now.

Section 6 provides that a legal adviser shall be retained to advise the chief electoral officer in reference to any matter relating to the present election. The idea of the government and of the committee is that Colonel Biggar, who has served as chief electoral officer in former elections, should be retained as legal adviser to his successor.

Section 7 is put forward, in view of the fact that the delay between prorogation and dissolution might be very short, to provide for the necessary changes in order that the regulations for the double set of enumerators will apply in urban centres at the pending election.

Mr. SPENCE: The next general election will likely be held during the summer months. If residents of Toronto or Montreal, say, are at their summer cottages 50 miles distant from their city homes during the time of the enumeration, will they be enumerated there and vote in the county, or will they be forced to go back home to vote?

Mr. CANNON: They will have to go back home.

Mr. SPENCE: It will be an inconvenience to many.

Mr. COOTE: It is hard to decide anything without the bill before us. Certainly I think we ought to have the bill.

Mr. SPEAKER: The bill, I understand, is on the table of the house.

Mr. CANNON: The contents of the bill will be found in Votes and Proceedings of Friday, May 23. This bill is exactly the same as the bill embodied in the report of the committee which was laid on the table of the house last Friday. I may say that that report was unanimous and represents the views of all the members of the committee belonging to the various parties.

Mr. COOTE: I am not objecting to the bill, Mr. Speaker, but I think it is only right that every member should insist on having

a copy of the bill before him when it is under consideration. I have asked the pages for a copy of this bill, but they say there are none available.

An hon. MEMBER: They are on the table.

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

Progress reported.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr Johnston in the chair

The CHAIRMAN: When the committee rose at six o'clock we were considering item 377a Shall the item carry?

Mr HEAPS: No, Mr Chairman. When the house rose at six o'clock I was discussing the conditions of labour prevailing in the Besco plant at Sydney, and I have one or two other comments to make before we leave this particular item.

The men employed at the steel works at Sydney and for the Besco corporation generally have during the last ten or twelve years gone through several very trying experiences. In 1923 during a bitterly contested strike troops were sent down to Nova Scotia and ultimately the men were forced to go back to work under the same intolerable conditions against which they had so vigorously protested; and they are working under similar conditions at the present time. Several commissions have investigated the industry and in each case they have suggested that immediate improvement be made in the working conditions.

I know it may be said, Mr. Chairman, with a good deal of truth, that the question of labour hours and the general conditions under which the men are engaged in the industry is entirely for the provincial legislature and not for the federal parliament to deal with. Although recognizing that there is a certain amount of truth in the statement, I cannot altogether agree that the contention is sound. I think that the parliament of Canada, the supreme legislative body in the Dominion, has a very important duty to perform so far as the conditions of the people are concerned, and I do not think that we as members of this House of Commons are doing the right or proper thing when we attempt to shelve our responsibility in a matter of this character. I know it is very simple indeed for either this parliament or the provincial legislature to say: It is not our responsibility.

[Mr. Coote.]

But while this dispute between the provincial and federal governments is being settled the working people are getting no particular benefit. Although the question of legislative jurisdiction may be involved, at the present time we are confronted with a concrete situation of some difficulty. This government is being asked to grant certain concessions to an industry, and I say it is not beyond the powers of parliament to say to that industry that parliament will not grant them any such concession unless they are willing to put into effect certain improved conditions in connection with the men they employ. I do not think I am asking too much when I ask parliament to take that action. For the past eight or ten years, perhaps longer than that, the aggrieved men have been looking for some remedy, and up to the present time they have not been accorded it. In the past this parliament has appointed commissions to inquire into social conditions affecting the Canadian people. If parliament has not the right to legislate in connection with social conditions, why do we continue to appoint commissions for the purpose of inquiring into them? I do not think we should tell the working people that we have nothing to say as to the conditions under which men and women are employed in industry. I think I am correct in saying that practically every hon. gentleman in this house, whether he be on one side or the other, is opposed to the intolerable conditions which prevail in the Besco mills at Sydney, Nova Scotia. If such is the case, if we are unanimous, and if the expressions of opinion on the part of the Prime Minister and the leader of the opposition last Wednesday evening are a criterion of the feeling of the men who sit behind those hon. gentlemen, is it beyond the wit of this parliament to devise ways and means to withhold from the iron and steel industry any increased tariff benefits until something is done by the industry to improve the conditions of the workers under its control? I do not think so.

As I said prior to the adjournment, as a result of the statement made by the Prime Minister, and the very concrete and definite suggestion made by the leader of the opposition within the last few days, the men have been led to believe that this House of Commons is ready to do something for them. But lo and behold, within a few days after those statements are made we are told that parliament is impotent to act in connection with this matter! What will the men say? What will be the average man's reaction to a situation of that kind? He will say that this

government is not impotent when it comes to doing something for the directors and shareholders of a corporation, but that it is impotent in respect to the interests of the men employed by that concern. To my mind that is a very unfortunate impression to be broadcast throughout the length and breadth of this country. Parliament should not allow the impression to go out that it does not wish to do anything to better the conditions of the most oppressed men in our Dominion. It is an attitude of that character which brings parliament into disrepute. Parliament has functions to perform, and here we have an opportunity to do something in the interests of the men engaged in the steel industry.

We have been asked to give certain valuable concessions to the shareholders and bondholders of the British Empire Steel Corporation. I think I am correct when I say that a very large percentage of those who own bonds and stocks in the steel industries of this country do not live in the Dominion of Canada. In other words, we are going to give valuable concessions to men who are not Canadians, who live outside of Canada, yet it is suggested that we cannot do a thing for men of our own kith and kin engaged in the steel industry. That is why I have risen on these occasions and have protested against any aid being given to the steel corporations until first of all we have it understood that something will be done for the men employed in the steel industry.

Mr. GARLAND (Bow River): I wish to congratulate the hon. member for North Winnipeg (Mr. Heaps) and his colleague for having brought to the attention of this house the dissatisfaction of the workers in the steel plants at Sydney and in other parts of the Dominion. He has made special reference to the employees in the plant of the British Empire Steel Corporation, and I believe properly so.

I remember very well the first speech I had the honour to make in this house. It was in the year 1922, and on that occasion I spoke on behalf of the very men whose case has been so ably championed by the hon. gentleman who has just spoken. The men in the steel industry had passed through an appalling period of depression and strife. Shocking conditions of intense misery and destitution were depicted before the house. There have been some improvements since that time, but now, on May 27, 1930, we hear another appeal from the steel workers, and perhaps from the miners, for improved and reasonable working conditions. They ask for fair working hours and fair wages, and the case made out by the two hon. members who have spoken stands unchallenged. No member of the government has dared to challenge the rights of the workers, nor can the government deny the complaints that have been lodged in connection with this matter. Even the hon. member for Pictou (Mr. Cantley) could not shatter the arguments made when he attempted to show that in connection with the Scotia plant there had been no particular disturbances and that the men appeared to be satisfied. Because the men do not go on strike is no indication that they are satisfied. If that principle were adopted a premium would be placed upon strikes. I say to the Minister of Finance that when he retorted that the men could look after their affairs by organization—

Mr. DUNNING: I beg my hon. friend's pardon; I did not say that.

Mr. GARLAND (Bow River): I understood the hon. gentleman to say that the workers could adjust their conditions by organized action. I may have to quote the words he actually used.

Mr. DUNNING: Quote them correctly, then.

Mr. GARLAND (Bow River): Is one to imagine that nothing can be done for these men until they decide to strike? When they do strike, what is done for them? Troops are sent down; the country is burdened with civil conflict; disturbances result which are always contingent upon a strike. Are we to wait for that state of affairs before we recognize the fair stand taken by these people?

We are dealing with specific increases in the tariff concerning the steel industry. Let us turn for a moment to the condition of the industry. I have in my hand a Canadian Press despatch dated at Montreal, April 21, 1930,—a month and six days ago. I shall read it for the information of hon. members:

British Empire Steel Corporation's consolidated statement for 1929 showed an operating profit of $6,046,647 as compared with $4,187,403 in 1928 according to figures published here to-day.

That is an operating profit of over $6,000,000.

After writing off a larger amount for depreciation and depletion and taking care of bond interest and discount bonds, there remained a net profit of $2,226,635 as against $855,938 in the preceding year. With other minor charges taken care of the company reported a surplus of $2,070,001 which was sufficient to wipe out a previous deficit of $1,739,697 and carry forward a surplus of $330,303.

Dominion Iron and Steel showed an operating profit of $2,247,837 in 1929 as compared with $1,843,328 in 1928. The company reported

a surplus carried forward of $2,741,609 as compared with $1,914,756 in the previous year.

Dominion Coal showed an operating profit of $1,745,095 as compared with $1,181,813 in 1928. Net profit amounted to $200,106 as compared with a deficit of $303,184 in the previous year.

And so on. The steel industry in this country has shown handsome profits and operating surpluses. At this time the country is asked through parliament to give to the shareholders and bondholders in the iron and steel industries an additional opportunity to make greater profits. Will the government which is proposing to grant these great privileges, increases of from 66 per cent to 80 per cent, to this industry, refuse to heed the just appeal of labour? Is labour not to get its share of this improved condition? There was a time, I remember, not so long ago when we used to refer to the hon. gentlemen who sit to the left of the Speaker and to my right as being the friends of the manufacturers. They were pilloried all over the hustings of this country as the friends of the manufacturers, the gentlemen who extended special privileges to their own friends. Not only that, but they frequently argued in response. "Oh, no, we want protection in order to protect the worker." Now we find this government adopting the same principle of protection, and for whom? Are they going to place themselves in the same position as hon. gentlemen to my right have been placed for so many years, as friends of the manufacturers and not friends of the workers? That is the issue, clear cut, which is before us in this house to-night. Are we going to befriend only industries which already make handsome profits, and are we going to leave labour to its own devices, to solve its own problems as best it may without extending to labour any reasonable opportunity to make better the conditions under which it exists? Why, Mr. Chairman, if that be the condition which we have reached in our political life in Canada to-day, I say we might as well have the Tories in office as have the Liberals in office.

Some hon. MEMBERS: Oh, no.

Mr. JACOBS: No, it is not as bad as that.

Mr. GARLAND (Bow River): I say in connection with this particular point that we might as well have the Tories in office as have the Liberals in office.

Mr. McINTOSH: You are losing faith, man.

Mr. GARLAND (Bow River): Faith in whom?

Mr. McINTOSH: In yourself of course.

Mr. GARLAND (Bow River): Not in my hon. friend, certainly; I never had much faith in his ability to do anything for Liberalism.

Mr. McINTOSH Why apply that limitation to yourself?

Mr. GARLAND (Bow River): Protection we are told, is to protect labour; we have heard that so frequently from my hon. friends to my right. They have repeated that phrase so often, that protection is to help labour, and we have time and again said to them, "Can you show us that it will help labour or save the consumer from additional costs? I well remember Right Hon. Arthur Meighen standing in his place and saying that protection did not necessarily increase the price to the consumer, and that if he went into office he would see to it that it did not increase the price to the consumer. He said in effect that he was going to protect the working people. Hon. gentlemen to my right always have said that, and to-night we have an opportunity to justify Mr. Meighen's contention and the contention of his friends who still sit in this house. Protection is a privilege which is extended by the Dominion to certain industries; it is a privilege that is eagerly sought by manufacturers and corporations everywhere. It is a privilege which extends to them the opportunity to sell their products to the people in a sheltered market at a higher price than they would bring if they were sold in open competition. The manufacturers seek that privilege eagerly, but they have never to my knowledge handed back in the aggregate to the workers or to the consumers the benefits which they have received by virtue of the protective tariff.

If you want one illustration in that regard all you have to do is to take the textile industry—and it is only an illustration; that is my excuse for introducing it into this discussion The textile industry is like the steel industry; one enjoys a protection of something over 30 per cent and the other enjoys an even higher protection, yet in the textile industry we have the lowest average weekly wage in any industry in the Dominion of Canada. It is one of the most highly protected industries we have. No longer can hon. gentlemen delude the worker or the common consuming public in this country—

Mr. MANION: Or anyone else.

Mr. GARLAND (Bow River):—or anyone else by saying that protection will help the worker. Surely, Mr. Chairman, it is not too much to ask that this government, this parliament which has the power to grant these privileges, shall also exact fair conditions in return for them. If you must grant them, then I say make sure that the workers at least get a measure of the relief that you are

extending to the manufacturers. This does not imply the adoption on my part of the principle of protection. I am definitely opposed to protection as an economic principle, but I say if you feel that you must apply it, then make it mean what you say it should mean, relief to the people engaged in industry and not merely to the shareholders and the bondholders.

It is our duty as a parliament to see that in extending privileges to these industries they are carried down to the poorest worker in the plant benefiting by them; and if we fail in that duty we have failed in our responsibility as members representing the people of this country. As my hon. friend who has just taken his seat has said, we also throw into utter disrepute our whole parliamentary and political institutions. Why should industry be built up on a system of doles? That is what it means, a system of doles which you deny to the workers themselves. Better conditions, that is all we are asking for, better working conditions and a little more pay for these men. What would be the result? Better conditions would mean more efficiency; the whole history of industry is proof of that. I cannot for the life of me understand the blind greed of manufacturers who continue to employ men for ten hours and more a day. Surely they have learned the lesson that the physical ability and mental energy of the human being must and does decline after a certain number of hours of work continually performed from day to day, from week to week, from month to month and year to year. You cannot maintain a high peak of physical and mental efficiency when you are dulled by the very tedious monotony of the labour itself for almost unlimited hours.

In this connection I may refer to another fact. I wonder why, when the Minister of Finance was speaking upon this subject, he did not refer to other representations which had been made before the tariff board. His attention was called to them to-night, I think, by the hon. member for North Winnipeg, and perhaps in order to bring this point clearly before the house I might just quote once more the representations made by the Ministerial Association of Sydney to the tariff board, as follows:

> We recommend:
> (1) That this Ministerial Association of Sydney wait upon the responsible heads of the D.I.S. Co. at the earliest opportunity and urge the just claims of the men for a shorter working day.
> (2) That representatives be sent immediately to the federal Department of Labour and to the Prime Minister of Canada, urging that if and when the steel companies of Canada are allowed a protective tariff that provision be made for the men receiving the standard hours of labour adopted by the parliament of Canada, namely, the eight hour day.

Now, Mr. Chairman, at this stage I think it will be fair to review very briefly one or two of the very striking statements made by hon. members in this debate. I find that the hon. member for Inverness (Mr. Macdougall) in an eloquent appeal following the member for Winnipeg North Centre, said:

> No member of this house, if he is fair, whether he is a Liberal, a Conservative, a Progressive or a Labour man, can argue that the British Empire Steel Corporation is doing what is right and fair when it compels its men to work thirteen hours a day, as they are doing in some cases, and ten hours a day as they are doing in all cases. A great many of these men do not even get one day off a week; they are compelled to work on Sunday as well.

It is almost unthinkable, Mr. Chairman, in this year and in this country that men should be working seven days a week and not less than ten hours on each of those days. The hon. member continued:

> . . . . I believe all parties in this house, irrespective of political affiliations, should join together and say that for once in this country we are going to place human values ahead of any other values that may be considered later. For my part I would not want one single concession made to the British Empire Steel Corporation by this government unless the government first bargained with them to give their employees a fair deal in the matter of wages and working hours.

I congratulate the hon. gentleman upon his fearless statement in that regard. He said further:

> Unless the workingmen of Sydney get some benefit from these concessions, I am opposed to them; for any company which compels its workmen in this civilized and Christian age to work twelve hours a day and a great many of them to work seven days a week, should not be given any concessions by a civilized government.

The hon. member for Cape Breton South (Mr. MacDonald) then made the following statement:

> I have a practical object in view, and when the resolution comes before this house I am going to move that a provision be added that the money be not paid to the steel company unless it shall find its way into the wage envelopes of the men.

I congratulate in turn that hon. member for the courage with which he pronounced that sentence. I come now to the hon. member for Cumberland (Mr. Smith), who said:

> I am a strong believer in protection to industry, but I think that protection, unless it is passed along to the worker, is repugnant to every sense of fair play.

Let me congratulate those members of the Conservative party on the new philosophy which they are now bringing to bear upon this question of protection.

An hon. MEMBER: Nothing new about it at all.

Mr. GARLAND (Bow River): It has never before been put into effect.

Mr. CAHAN: It is just dawning upon you.

Mr. GARLAND (Bow River): I would have preferred a practical illustration.

Mr. CAHAN: You would have had it, had you read some of my speeches.

Mr. GARLAND (Bow River): That means nothing unless results are obtained. I come now to the hon. member for Vancouver Centre (Mr. Stevens), regarded as one of the most capable members in this house. His remarks were as follows:

This parliament and this government are not helpless in a matter of this character, which is sufficiently serious to warrant their asserting their power and influence.

And further:

In connection with these items—

The particular ones under discussion.

—we have an opportunity of saying to this industry: "Yes, the parliament of Canada is prepared to give you protection sufficient to enable you profitably to produce these articles but before such tariff will apply you will satisfy the governor in council that the conditions of labour, the hours of labour and the wages paid are such as will afford a decent living." That is what the government could do; that is what parliament could do, and I say right now that that is what parliament should do before it goes a step further.

Now I come to a man even greater than the member for Vancouver Centre, the hon. leader of the opposition (Mr. Bennett), who said:

I confess, Mr. Chairman, that there is only one question in my mind: Have we the power? The answer must be in the affirmative. Having the power, then should we not exercise it? I put that to my hon. friends opposite, because here we have no division of opinion; we are all committed to it.

And further on he says:

Here we have a chance to say that these increases shall apply only to such mills as maintain the principles of the treaty of Versailles. Is it unfair to say that that should be done? I commend the matter to the government. I think it should be done. It may mean great differences, but an amendment such as this, I think, would meet the situation:

"Provided, however, that the rates of duty set out under items 377, 377a, 377b, 377c, shall apply only when the industry producing the articles enumerated therein have demonstrated to the satisfaction of the governor in council that there is maintained in the operation of such industry, hours of labour and rates of wages consistent with the provisions of the labour conference held under the treaty of Versailles."

Those are the very words in which the amendment was couched which was offered by the hon. gentleman to the government for its acceptance. He continues:

That is an amendment that I commend now to the government, and that I think at the proper time should be moved; because after all, Mr. Chairman, if we really represent Canadian democracy, if we are sincere in the expressions of our faith in our party conventions, if we really mean what we have declared unanimously in this house with respect to the provisions of the treaty of Versailles and at the League of Nations at Geneva regarding labour, there should not be a dissenting voice in this chamber. We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in contracts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbal.

When the hon. gentleman put that question, when he asked the government to accept this great gift, I noticed the eyes of the hon. member for Winnipeg North Centre (Mr. Woodsworth) and those of his colleague sparkling with delight. Here was a gift worth accepting, but I leaned over to them and said: Beware the Greeks. However, I had hardly spoken those words before a Greek with greater gifts, the Prime Minister, rose in his place in the government ranks, and said: "No, if this applies at all, it must apply to all". Once more, beware the Greeks bearing gifts.

My hon. friends now find themselves disillusioned. Why, I am not as yet certain, but something strange has happened. Either the Greeks got together and compromised on the matter or else other gentlemen came to them and discussed the question. The statements to which I have referred were uttered in this house on the evening of the 21st of this month. On the 22nd there was a discussion on the Beauharnois situation, but I learned subsequent to that that some of the directors of the British Empire Steel Corporation had been in this city. Whether or not they were hurriedly called, I do not know, but I wondered if they interviewed either the Prime Minister or the leader of the opposition, and if such an interview took place, I wonder what passed between them.

An hon. MEMBER: Ask them.

Mr. GARLAND (Bow River): I hope that they will both tell the committee whether any discussion of this particular question arose in their conversation. The hon. leader of the opposition says that we have the power, and having that power we should exercise it, but I find that two days afterwards he suddenly discovers that his amendment may not be in order.

Mr. THORSON: Do not forget to read his recantation.

Mr. GARLAND (Bow River): I am not calling it a recantation or anything like that; I am calling it a slow retirement from position. He adopted the courageous position of insisting that these tariff revisions should not apply unless and until something was done for the worker, but two days later we find him receding steadily from that position. I do not know why that was done, unless this is again the little old sham battle between the two political parties when discussing tariff matters, which fact has been apparent to us for many years. I have in my hand a copy of the Scoop Shovel of May, 1930, the organ of the Manitoba wheat pool, which contains a very excellent cartoon. In the lower right hand corner is an inset circle containing a most unflattering representation of the right hon. the Prime Minister, and facing him upon a little pedestal there is portrayed the hon. leader of the opposition. Both hon. gentlemen are armed with wooden swords and carry wooden shields. They are shouting at each other at the top of their voices, but neither of them is actually striking any blows. This is labelled, "The Sham Fight." In the other part of the cartoon appears "The Real Fight," which is a fight between the profitism of protected interests and the consuming people represented by cooperation.

Mr. COOTE: Put it on Hansard.

Mr. GARLAND (Bow River): I wish I could. That illustration on the records of the house would be well worth while. The principle we are discussing to-night is whether human life, happiness and decent living conditions are to come before or after profits. That in the final analysis is the crux of the whole discussion. I wonder whether any hon members have ever seen Millet's portrait, Man with Hoe? I am satisfied most of them have. If they have seen that picture they must have carried with them some of the thoughts I read on one occasion in a poem by Edwin Markham. I cannot remember the poem very well, but I have paraphrased and jotted down a few of the ideas. Here was the man with the hoe, and what did we see when we looked at the picture? We saw the mark of ages of toil in the work-dulled face; we saw an expression that was dead, unlighted by any spark of active mental energy; we saw a back bent by wearisome toil. We saw neither hopelessness nor hope shining there. The weight of a world was on his shoulders, the weight of an agricultural world slowly but surely giving way, or rather, so far as the age of the world goes, speedily giving way to the new industrial age, the machine age, the mechanical age.

Had Millet lived in these days, he might have painted a different picture, the picture that we have seen of huge furnaces, blazing heat, great open plants filled with titanic energy. He might have seen in those great plants, larger than the House of Commons, little figures of men plying their tasks in front of those furnaces in a deafening, coushing din. He might have seen the huge white-hot ingots taken out of those furnaces and carried by overhead trolleys to the rollers where, in almost a minute as one watches, those great moltent masses of metal are rolled out into steel strips undulating like gleaming serpents later on to be turned into rigid steel. Then he might have seen the steel cut with great circular saws throwing the sparks high as a rocket burst in midair. These pictures on can see in any steel mill. You see there great cranes carrying huge electro-magnets which come down and pick up four or five or more of those steel rails at one time, raise them up, a weight that it would take many men to lift, and throw them on to the racks as one would pile matches. You would see the driving ingenuity of man to save labour of man.

But has there been any change? If Millet could come and looked around him at the conditions of to-day he would find there the same type of man, the same work-dulled face hardened with dire hopelessness, with the misery and destitution of unfair exaction of labour in order that profits might come to those who own industries. Yes, he would have found men working, not as the Man with the Hoe, from sun to sun, but ten, even thirteen hours a day, for seven days a week. He would have found men working not outside in the open air and bright sunshine, but in those caverns, those huge plants with the darkening roof over them, and nothing within but the heat and stench and dust and dirt and clangor of the great machines. That is what he would have seen before him. How many years have passed since those days? I ask the house: Are we to continue to give our sanction to such conditions, or are we

to take some opportunity to remedy them? I am not a lawyer; I wish I were, because if I were I would apply every energy I possessed in an endeavour to solve this problem. But there are lawyers in the house. The Prime Minister is an LL.D. The leader of the opposition is a lawyer of great reputation in this country. Surely they can get together and frame, in connection with this question, some constructive piece of legislation that will refer back to the worker the privileges that have always been extended to the manufacturer. Give the workers some chance; for if you do not you face the climax painted in Edwin Markham's story of the man with the hoe which is as applicable to these men in industry as it was in those days to the man with the hoe. Listen to his burning words.

O masters, lords and rulers in all lands,
How will the future reckon with this man?
How answer his brute question in that hour
When whirlwinds of rebellion shake all shores?
How will it be with kingdoms and with kings—
With those who shaped him to the thing he is—
When this dumb terror shall rise to judge the world,
After the silence of the centuries?

Mr. MACDOUGALL: I wish to congratulate the hon. member for Bow River (Mr. Garland) on some of the very lofty sentiments which he has expressed to-night. Rising immediately after him I am under a great disadvantage, because it is always difficult to follow one who has within himself a monopoly of all virtue, truth, honesty of purpose, and integrity. Indeed, I could not speak after my hon. friend at all were it not for the fact that I am reminded that somewhere in the long ago a sinful man like myself went up to a certain temple to pray, and kneeling down at the door of the temple he struck his breast and said: "Mea culpa, mea culpa, mea maxima culpa." Another gentleman—probably he did not come from Bow River and perhaps he was not a Progressive; I do not know what his politics were—happened to come into the temple at the same time, and going up to the very altar rail he raised his voice on high and said: "God, I thank thee, that I am not as other men are." But the funny part of it all was that Scripture records, rightly I presume, that of the two who visited the temple on that day, the man who entered at the door and confessed his sins of omission and commission went away justified.

I would point out to my hon. friend from Bow River that no matter what shade of politics we have in the house, it is a great mistake for any individual, whether he be Grit or Tory or Progressive, to think that he and he alone has a monopoly upon sympathy so far as it extends to the labouring people of the Dominion of Canada. What I said the other night in regard to having the benefits of protection extended to the workers, I stand by now, and I remember the first speech I made in the house when, coming as I did from a labour organization, I said that any measure that might be introduced that was calculated to assist the workers, whether it was proposed by friend or political foe, would have my support. My record in that respect has been consistent. I do not stand to-night holding any brief for the British Empire Steel Corporation. I repeat that I believe it is a crying shame that the employees of the steel company at Sydney should be compelled to work ten hours and in some cases thirteen hours a day, and in some instances, seven days a week. I believe this money which is being given to the corporation by the government ought not to be given until parliament decides that those men who make the profits for the corporation shall be given at least a fair portion of that in the way of increased wages or shorter working hours.

One of the choice illogical tit-bits in the speech of my hon. friend from Bow River who has just taken his seat, was this: With fiery denunciation he declared that protection could never assist the worker; and then in his next breath he made a long argument to show why the benefits of this protection should be applied to the steel workers of Nova Scotia.

Mr. GARLAND (Bow River): I said that it never had protected the workers.

Mr. MACDOUGALL: Then the hon. member believes that it can assist the workers, otherwise there was no reason for his speech to-night. He came to this house with all the free trade doctrines that he has imbibed, perhaps not wisely or too well, from the Manchester school, and to-night he says: Give us protection to assist the workers. He asks the government to see that the benefits from this protection shall be extended to the workers.

Mr. GARLAND (Bow River): Hear, hear.

Mr. MACDOUGALL: Then the hon. gentleman admits that protection is for the benefit of the workers of Canada. That is what the Conservative party has always stood for. I join with my hon. friend most heartily to-night in trying to see that some of the benefits resulting from application of protection in the fiscal policy of this country shall be extended to the workingmen of Nova Scotia. Protection applied, mark you, by a government

that has repudiated it. Protection applied by a government in which sits the Minister of Railways and Canals (Mr. Crerar), who in 1922 left this house whining about abandoned farms in the county of Huron, although, to-day in the county of Huron there are twice as many abandoned farms as then, as a result of the fiscal policy of this government. Yet the Minister of Railways and Canals comes back to this parliament to be a member of the government that brought that condition about. Read his speeches in Hansard; for one fortunate thing about parliament is this, that the moving finger writes and having writ moves on, leaving its imprint upon the written page. My hon. friend to-day occupies a seat adjoining that of the Minister of Trade and Commerce (Mr. Malcolm), who sits in a chair protected to the extent of 42 per cent. In 1922 the Minister of Railways told us that to apply protection to the extent of 30 per cent to the boot and shoe industry in this country was protecting exploitation. He comes back to parliament to join a government that protects beans to the extent of 400 per cent, that protects cast iron pipe over 100 per cent, and protects the boot and shoe industry 30 per cent.

Mr. YOUNG (Weyburn): Is the duty on cast iron pipe 100 per cent?

Mr. MACDOUGALL: It is.

Mr. YOUNG (Weyburn): It is not.

Mr. MACDOUGALL: It is so, and my word is as good as my hon. friend's. Have we no longer the doctrine of cabinet solidarity in this country? During the years that have gone that principle was always maintained. When Sir Wilfrid Laurier was Prime Minister, if any cabinet minister disagreed with his policy he was discharged from the cabinet. Men were driven out of the cabinet by Laurier, who was a man of principle, and who stuck to his principles. But to-day, sitting around the Prime Minister, we find not only the Minister of Railways but the minister who on account of his sanctimonious look was chosen a few years ago to ring the death knell of protection. Yet he swallows 400 per cent of an increase in the tariff on beans and 105 per cent of an increase in the tariff on cast iron pipe.

I say to the house that I am glad to have a convert to protection to-night in the person of my learned and brilliant friend from Bow River, who admits that there are benefits to be derived by the workers of Canada as the result of a protective policy. I stand in this parliament to-night to say with my voice and with my vote, and I shall continue to do so as long as it is my privilege to be in this parliament, which will be some time yet, that so far as I can see to it the benefits of the tariff shall be passed on to the steel workers of Sydney and to the workers of Canada generally wherever protection is applied, and I trust that I shall get support not only from the hon. member for Bow River but from the house generally. I trust that I shall have the support in particular of members representing the province of Nova Scotia, who are immediately concerned in this matter. The British Empire Steel Corporation is well able to take care of itself, but the men who are working long hours of labour which do not give them an opportunity for proper recreation and rest and the opportunity which they should have to educate themselves, have found from experience that they are unable to protect themselves, and therefore it is up to the members of this parliament, irrespective of party, to stand together and see that the poor men of this country get a fair deal.

Let us remember this, and I give it as a warning to all political leaders: The politics of this country in the future, as Lord Balfour said some years ago in England, will be the politics of the poor. It is the poor persons who cannot protect themselves that I want to see receiving some benefits from protection. I trust that the house will not pass this matter over lightly, because it concerns the happiness and the standard of living of the men and women in this country who provide the purchasing power which alone is the basis on which the real progress and prosperity of this country can be built.

Mr. CANTLEY: On various occasions while the tariff proposals of the Minister of Finance (Mr. Dunning) have been before the house I have made some remarks in connection with them. On May 7, before I had had time to look fully into all the provisions of the tariff as brought down by the minister, and particularly the resolution referring to Canadian coal used in the manufacture of iron and steel, which appears on page 47 of the ways and means resolutions, I thanked the hon. minister for having as I then supposed implemented one of the recommendations of the Duncan commission. That recommendation as set out on page 38 of the report reads:

> Having regard to the bounty system previously applied and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

That, you will note, Mr. Chairman, is a reference to a bounty on steel. I regret to say that this bill does not, as I read it, comply with the recommendation of the Duncan commission which I have just quoted, and therefore I must now voice my disappointment and dissent because, as a matter of plain fact, the resolution of the minister does not provide for the payment of a bonus as recommended by the Duncan commission.

Mr. MACKENZIE KING: Is my hon. friend discussing the bill that has to do with the bounty?

Mr. CANTLEY: I am discussing the bill which I understood was now before us, Bill No. 312.

Mr. MACKENZIE KING: My hon. friend has got into the wrong pew for the moment. We are at the present time considering a tariff item.

Mr. CANTLEY: This is a tariff item, surely.

Mr. MACKENZIE KING: But it is a separate bill my hon. friend is discussing.

Mr. CANTLEY: I am willing to postpone what I have to say if—

Mr. MACKENZIE KING: I just wished to point out that my hon. friend was referring to a particular bill. I was not sure that he appreciated that we are dealing now with one or two items in the tariff schedules. The bill will come up later, but my hon. friend can make his remarks now if he likes.

Mr. CANTLEY: It does not make any particular difference. A little later on I was going to discuss several of the tariff items one by one. If my hon. friend will give me a few minutes I will exhaust all I have to say with regard to this bill, and I promise him I will not bother him again during this session.

The resolution before the house proposes a bounty on bituminous coal mined in Canada and converted into coke in Canada and used in the smelting of iron from ore or in the production of steel. Now, Mr. Speaker, coal either alone or in the form of coke, or a combination of both, can be and is used in the smelting of iron from ore. But coke is not used in the production of steel, save in very small and negligible amounts. As drafted the bill will make available a bonus of 49½ cents per ton for coal coked in Canada for the making of pig iron produced in Canada, or, say, from 72¼ to possibly as much as 80 cents per ton of pig iron so made. But, sir, the bituminous coal mined in Canada and used in the manufacture of steel is in this bill entirely ignored. Nova Scotia steel makers are large users of Canadian coal for the production of steam, hydraulic and electric power for operating steel melting shop and other cranes. A much greater quantity is constantly used for the generation of producer gas, which is the fuel largely used in the conversion of pig iron into steel in open hearth melting furnaces. All this coal which is daily so used in steel making is by this bill entirely ignored. Therefore the proposal of the minister as set out in his resolution falls far short of full compliance with the recommendation of the Duncan commission and cannot be accepted as such. The minister shakes his head, but I am convinced that my interpretation is correct.

Mr. DUNNING: My hon. friend places me at a disadvantage because he is discussing a bill which is not before the house. I can assure him that the point he is now raising will be cleared up when the bill is under discussion. It is rather difficult to involve that debate with the one we are now engaged in.

Mr. CANTLEY: Now we may leave that matter and I will deal more particularly with the various items affected by the iron and steel tariff.

Item 374. Pig iron is under the British preference $1.50 per ton, equal to, say, 6 or 7 per cent, which surely is inadequate protection, particularly for eastern furnaces, where in the case of the nearest market being Montreal the British ironmasters have an advantage of quite $3 per ton in freight, or double the amount of preference duty. The situation in regard to pig iron is even worse in the matter of steel ingots, which carry the same rate as pig iron, although the cost of production is much greater.

Item 442a. Here pig iron, also hot rolled iron and steel, is on the free list for a wide range of manufacturers.

Item 377b. Ingots, blooms, slabs, billets valued at 3 cents per pound or over—free This should give the entire market in alloy steels to the British producers, and the same applies to item 378a, b, and c. The duties here imposed will have the same effect, while item 379, covering rods for horseshoe nails, chain, shovels, are all free, although in each case the materials produced from them are well protected and have been over a long period of years. The same will apply to 384 and 386 in all its subdivision from (a) on to (n) and (o).

Item 380. Plates 40 inches and less in width at $2 duty per ton British preference

will undoubtedly give a large proportion of this business to the British ironmasters, who will also have a large portion of the plate covered by item 380 (b), plates over 40 inches, free; while item 381a at 7½ per cent will also have the same effect.

Item 387a. Railway fish-plates, splice plates, rail joints, tie-plates, etc. Here the British preference reduces the general tariff by $3 per ton. With the low ocean rates considerable business will probably be diverted overseas, as also will be the case as to angles, beams, channels, etc., tariff item 388, where the British preferential rate is $1 per ton.

Item 395. Hame steel, providing as it does for material not only rolled but cut to actual needed lengths, forged, punched and in every way ready to rivet on to the wooden hame, is one of the most outstanding of several examples of a wholly unwarranted and undue preference being given to certain favourite manufacturers.

Item 396. Cast pipe might also perhaps be included in that statement.

Item 401. Wire, iron or steel, free. Barb fencing, free. This is calculated to throw this business entirely into the hands of the United States makers.

We now come to an item of quite a different character, namely, 410b, machinery and apparatus for use exclusively in washing or dry cleaning coal at coal mines, etc., 7½, 10, 12½ per cent. Contrast this with the free admission accorded to well-drilling machinery, traction engines, electric generating plants and scores of other agricultural equipment articles, all accorded free admission into Canada.

In the matter of alloy steels containing varied percentages of several alloys, item 389, I doubt much if the officers of the customs department can interpret or administer this section of the act. Frankly I cannot see how it can be done.

Coming now to the matter of refund of duties, viewed from this angle the proposals of the finance minister are rather astonishing; for here we have gradations in the percentages of duty refunded to the importers of different classes of material. In 7 cases, 99 per cent is rebated; in 2 cases, 80 per cent; in one case, 70 per cent; in six cases, 60 per cent; in two cases, 50 per cent and in one case, 40 per cent; and it happens that the manufacturer accorded the lowest percentage of refund is a Nova Scotia skate maker whose protection on the finished product has been reduced—see item 450—5½ per cent on general, 7½ per cent on intermediate and British preference rates.

In general, the iron and steel tariff when examined and fully understood will not be considered satisfactory by the producers of the primary forms of steel, and I submit its operations will be viewed with disappointment, due primarily to the quite mistaken policy set out in the tariff proposals of the hon. the finance minister, which fails to give adequate protection to the primary forms and heavier tonnage of steel.

Again, no proper advance in duty proportioned on the additional labour involved in the various advance stages of manufacture is provided in this tariff. Further, makers of secondary products are given undue protection at the cost of the primary producers.

Due to the extended line in exemptions for duty and the free iron and steel items which are the raw material for the secondary producers, most of whose products have a fair and, indeed, some a high rate of protection, but the primary trade is unfairly dealt with.

The objectionable and most unfair former free list is here further extended in most cases where but little needed, certain favoured manufacturers thus obtaining undue protection at the expense of others who have invested immensely greater sums in plant and whose business is much more important to the state. The refunding of duty to other industries has in this tariff schedule been further extended, as has the other undesirable feature of graded percentages of refund of duty, ranging from 40 per cent to 99 per cent.

For these and other reasons I have been compelled to oppose the budget of the minister, and I fear I must look to another administration to supply an iron and steel tariff calculated to advance the real interests of this county which are centered on the production of the basic forms of iron and steel from our own native resources. I am particularly sorry that the minister has not seen to it that the recommendations of the Duncan commission should be met.

Mr. DUNNING: They have been.

Mr. CANTLEY: I am sure the minister will realize at a later time that they have not. I think I can speak with some slight degree of authority in view of forty or more years' experience, and I again tell the minister that the item to which I have referred does not meet the conditions set out in the recommendations contained in the Duncan report.

Mr. POULIOT: I congratulate my hon. friend from Pictou (Mr. Cantley) for not having been interrupted by his friends as he was

the last time he spoke. I have only two statements to make to my hon. friend from Inverness (Mr. Macdougall). He said that the duty on cast iron pipe was 100 per cent more, and in that statement he made a gross mistake. The British preferential duty is $4 a ton; we have a countervailing duty with the United States, and the American duty is only 25 per cent. Hon. members will readily see that the figures are far from 100 per cent.

When my hon. friend says that he is in favour of protecting labour I must say that in theory his contention is absolutely correct, and I entirely agree with it. He must however go to the right door, and may I remind him that the right door is not the door of this parliament. He should go to Halifax, Nova Scotia, and state his complaints to Mr. Rhodes, the Tory premier of that province, who has not seen fit to make use of the minimum wage law for the benefit of the men engaged in industry in that province. As soon as he recognizes that law, the wages will increase automatically. If the miners and steel workers are underpaid in the province of Nova Scotia, every hon. gentleman in this house must feel sorry for them, but we must place the blame on the shoulders of Mr. Rhodes, who has not listened to the complaints of his own friends. Instead of going to their native province and speaking to the premier of that province as to the situation existing among the miners and steel workers, and instead of telling the premier of Nova Scotia that such a condition must not continue, hon. members from that province waste the time of this house by accusing the government of Canada of not doing its duty. Everyone knows that this government has been the friend of labour and has sought at all times to improve the conditions under which the labourers work.

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: My Conservative friends may laugh, but I ask them what they have done for labour. They have done nothing; they have only screamed. They remind me of the old women who used to weep at the ancient Greek funerals. They have never brought any measure of relief for the labouring men, while the present government has been fair both to industry and to labour. It is a well known fact, and we see it exemplified repeatedly, that capitalists such as my hon. friend from Pictou are never satisfied. The Scriptures speak of such men when they say that the greedy man "can never have enough." I ask my hon. friend the senior member for Halifax (Mr. Black), who is a capitalist and a director of several companies, why he does not share his fortune with the miners and steel workers of Nova Scotia? We see before us the front benchers of the Tory party who can walk on paths of gold; why do those hon. gentlemen not share their immense fortunes with the labourers? Why do they not give labour a chance?

Mr. CHAPLIN: Why not get the Beauharnois Power Company to help?

An hon. MEMBER: How about Mr. Taschereau?

Mr. POULIOT: If I were to remind my hon. friend of the fortunes that were made during the war it would be a long story, and it may be that he would not be as much interested in it as other hon. members in this house would be.

An hon. MEMBER: How about Mr. Taschereau?

Mr. POULIOT: If my hon. friend will read in Hansard the speech made by the Solicitor General (Mr. Cannon) he will have a conclusive answer to his remark. He will note also that the hon. leader of the opposition said that he would not accuse the men who are directors of that company of being dishonest, and if the leader of the opposition, who is a better business man than any of the hecklers sitting behind him, can make that statement, I think those hon. members should at least be decent about the matter and not be too fussy. I now come to my point, Mr. Chairman.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: When I reach the point it hurts the hon. gentleman as he hurts his desk when he pounds it. However, may I say that there is a bad situation in the province of Nova Scotia? Men are underpaid by people who claim that they do not make sufficient profits.

Mr. MACDONALD (Richmond): Where is the point?

Mr. POULIOT: If my hon. friend were in my class I would place him at the tailend, because it would seem that he does not understand anything; his voice is stronger than his brains, and the noise he makes by banging his desk is stronger than his voice.

Mr. MACDONALD (Richmond): I should like to say to my hon. friend that it would take a Solomon to understand the point he is trying to bring out.

Mr. POULIOT: I suggest that my hon. friend make his speech to the electors of St.

Peter's in Nova Scotia. He might go to Inverness and speak in the constituency of my hon. friend (Mr. Macdougall) who has just entered the house, and whom I like very much.

Mr. BRADY: And we like you, too.

Mr. POULIOT: I will speak about Skeena after a while. If my hon. friend from Richmond-West Cape Breton (Mr. Macdonald) goes to Inverness he will have to address them by saying, "dear constituents of my quiet neighbour"—because there is no doubt that the hon. gentleman from Richmond-West Cape Breton is the more noisy. If my hon. friend from Inverness goes to Richmond-West Cape Breton, he will have to say to them, "Dear constituents of my noisy neighbour." The hon. member for Richmond-West Cape Breton may go to the people at Inverness and say that he has heard the eloquent speeches made in the House of Commons by the member from Inverness, and he may add, "I was next to him when he made his speech, and sometimes I drowned his voice by the noise I made by banging my desk." My hon. friend from Inverness has made some very eloquent speeches, but they amounted to nothing because he has approached the wrong door.

An hon. MEMBER: Where is the point?

Mr. POULIOT: This is the third occasion upon which I have had to enlighten my hon. friend since the beginning of my speech; does he not understand it yet? Poor fellow, I feel sorry for him.

The question before us is one which involves political economy, and it is very easy to understand. When a bad condition exists in a province as to wages which are being paid, the remedy should be supplied by the provincial government; the provincial government has full and exclusive authority in a matter of that kind. This is a well known and accepted principle. The miners of Nova Scotia are not working for the federal government; the federal government has jurisdiction only over those people who work for it. The Dominion government cannot enact legislation to increase wages, but the provincial government can do so very easily. This is what my hon. friends should say to the electors of their part of the country: "If you have wages which are too low; if your wages are not sufficient to enable you to live decently, it depends upon the provincial government," which in Nova Scotia is the Tory party. My hon. friend from Richmond-West Cape Breton will be glad to say that, because he was a Liberal before he was Conservative, and then he was ready to ask for the secession of Nova Scotia from confederation. He was radical at that time, when he was a Tory; previously he was a Liberal, but the gold turned into lead. He should say, "My poor fellows, you should overturn the Rhodes government and put in a Liberal government so that you will get a minimum wage law which will increase your wages automatically, and you will be happy. You should have justice; you have a right to justice."

Mr. QUINN: Rot; they were there for forty years and did nothing.

Mr. POULIOT: My hon. friend knows that these questions are rather new.

Mr. QUINN: I know very well that the conditions of the mining population were at a very low ebb under the Liberal government. Conditions never improved until the Rhodes government came into office in 1925.

Mr. POULIOT: But I remember very well, Mr. Chairman, that when the Liberal government was in power in Nova Scotia we had a delegation here headed by Mayor Murphy, a good Liberal, and that delegation came during the first year I was in parliament to express the views of the people of Nova Scotia to the government of this country. At that time my hon. friend was not a member. He was elected by screaming and complaining before his electors, and they are now fed up with that; he will be defeated at the next election. If he screams in his county as he does in this house he will meet with the same success that the senior member for Halifax will, and we shall never see him again in this parliament.

Mr. QUINN: Don't worry.

Mr. POULIOT: I do not worry at all; I think it will be a general satisfaction to everyone. Oh, the old women used to weep only when the funeral procession passed by in ancient Greece, but we hear hon. gentlemen in the house screaming all the time. There is no one who can scream so loud as a Tory; that is well known. In my county, when two or three Tories get together they can scream as loudly as a whole crowd. It is their specialty; they advertise themselves in that way, with loud voices, but afterwards we hear nothing.

Mr. QUINN: Go on and say something.

Mr. POULIOT: Say something? I am taking your picture. I have just a word more to say.

Some hon. MEMBERS: Carried.

Mr. POULIOT: Surely it will be carried, because it is sense to carry it. If, instead of giving such exhibitions in this house, these gentlemen were more sensible; if they had some influence with their provincial tory friends and really wanted to help labour they would have to be more powerful than the voice of capitalism with the Rhodes government, and they might then get something from that government. Mr. Rhodes, however, has absorbent cotton in his ears when he hears delegations from the people.

Mr. McGREGOR: What has Taschereau in his ears?

Mr. POULIOT: My hon. friend would do better to grow celery than to utter such nonsense in this house; he would be more useful to the country.

Now, Mr. Chairman, we will come to the miners. I insist again on that point, that my hon. friends make complaints here that should be directed to the Rhodes government but which cannot be directed against this government, because this government gives fair play to industry and labour in this country and we will see the result at the next general election. In the meantime my hon. friends will go back to their own part of the country, and they should see Mr. Rhodes and his Tory gang in Halifax and tell him he should improve the conditions of labour for the miners and labouring men in general of Nova Scotia. Then they will be doing something useful to the country and they will erase the bad impression they have left with this house by their nonsensical utterances.

Mr. IRVINE: Mr. Chairman, I shall be very brief in my remarks on this subject.

An hon. MEMBER: The briefer the better.

Some hon. MEMBERS: Carried.

Mr. IRVINE: If my hon. friends opposite take that unkindly attitude, of course I may be much longer than I had intended. I wish, Mr. Chairman, to take my stand with the hon. member for Bow River (Mr. Garland). His argument, so eloquently put before this house, is the point of view which I hold, and I say that in spite of the remarks of the hon. member for Inverness (Mr. Macdougall).

May I be permitted at this point to observe that I think the remarks of the hon. member for Inverness were rather uncalled for. When hon. members of the house read the speech of the hon. member for Bow River to-morrow I am sure they will not find any grounds whatever for the assumption of the hon. member for Inverness that my hon. friend from Bow River took the position of a Pharisee and assumed that he was better fitted to speak for labour than anyone else and that the policies and standards of members in this corner were better than others. I am sure there was nothing further from the mind of the hon. member for Bow River. Indeed I am not so sure that the hon. member for Inverness was fortunate in his simile. He said the hon. member for Bow River was like the Pharisee who said he was better than other people. My hon. friend to my right takes the other prayer, which was the prayer of the Publican, "God be merciful to me, a sinner" and after hearing the speech of my hon. friend I know he took the right prayer. I might go further and state that it would take a god to forgive him for it.

Certainly the hon. member for Bow River took his stand on the human side of the industrial issue, and there is only one question as far as many of us are concerned with respect to industry. That is, does industry turn out better men, nobler men, cleaner men, stronger men; not does the steel industry produce greater profits or increase its output. I think the time has come when someone should lay the emphasis where it belongs, on the human side of the issue. My hon. friend from Inverness waxed eloquent on the tariff, but my hon. friend from Bow River waxed eloquent on the human interest. It was the low standard of living and the suffering of ill-paid labour which awakened the eloquence of the hon. member for Bow River.

Now let me ask the Minister of Finance and the Prime Minister what they intend to do. As far as I am concerned I have no evidence that the Prime Minister is going to refuse some consideration to this question; I have no evidence that the Minister of Finance will refuse to listen to the plea which has been put forward in this connection. Indeed, I should be surprised if they did not respond, knowing them as I do, or at least knowing their viewpoint as I have heard it expressed from time to time, and knowing that they understand and respond to the human side of the question. I am not prepared to assume that they are going to turn a deaf ear to the appeal which has been made. However, let me emphasize to the Minister of Finance and to the Prime Minister that as far as I am concerned, if we are going to have protection we must make it go all round. I think it was Kant, the great philosopher, who laid down the principle that anything is wrong that you cannot universalize. If we cannot extend the principle of protection to the working classes and to the agricultural

classes, and put all classes on a basis of equality, we had better drop it altogether. I believe that something can be done in this particular instance in the interests of the working people and in the interests of the principle which I have enunciated, and I should be surprised if the leader of the opposition did not take a similar stand on this question. The party which he leads has been arguing for many years that protection does assist the working classes. Let us prove that it does by seeing that it does, and we have the opportunity here to do so.

I anticipate that if the Prime Minister refuses this request he will do so to some extent on the ground that again we shall be interfering with provincial rights, that this house has no control over the wages paid to men in certain industries, and so forth. It is the parliament of Canada which is granting to these industries the privilege of protection and parliament surely has the right to lay down conditions to the granting of that privilege. That is all we are asking the Prime Minister to do, to lay down conditions under which the protection to be extended to this industry will be available to them. We are asking that one of those conditions shall be that a fair and reasonable wage shall be paid. If anyone should ask what that means, we will refer them to the bill presented by the hon. Minister of Labour (Mr. Heenan). We ask that the eight hour day shall be established and that the provisions of the treaty of Versailles shall be observed. There may be technical difficulties, but it should be possible to overcome them. Personally, until I am compelled to believe it, I will not believe that either the Prime Minister or the leader of the opposition have been compelled, by any interviews with any class of people whatsoever, to recant from the position which they took a few days ago. I still have some faith in humanity, although it may have to be shaken. Once we lose our faith in humanity, nothing remains to help us along the road. In the interests of humanity I hope the Prime Minister and the leader of the opposition will stretch their hands across the floor of this chamber and give a little protection to the working class to make up for what they will lose for having to pay more for their goods because of the protection proposed for the manufacturers.

Item agreed to.

Customs tariff—377b. Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, valued at not less than three cents per pound, when imported by manufacturers of steels for use exclusively in the manufacture of steels, in their own factories, under regulations prescribed by the minister: British preferential tariff, free; intermediate tariff, free; general tariff, 5 per cent.

Item agreed to.

Customs tariff—377c. Ingots, cogged ingots, blooms, slabs, billets, n.o.p., of iron or steel, of a class or kind not made in Canada, when employed by manufacturers of forgings for use exclusively in the manufacture of forgings in their own factories, under regulations prescribed by the minister, per ton: British preferential tariff, free; intermediate tariff, $2.25; general tariff, $2.50.

Mr. COOTE: Mr. Chairman, I would appreciate some statement in regard to this matter from the Prime Minister. He made a rather significant remark the other night when the leader of the opposition was speaking about what might be done to protect labour in this country. Ever since I have been in parliament for the last nine years I have heard considerable argument in favour of protection, which argument was predicated always upon this one fact: that Canadian workmen should be given a decent standard of living. Before the last item is passed, I think the Prime Minister should inform this committee whether or not the government is prepared at this time to make some provision whereby the steel industry must pay its men a living wage before it can enjoy the benefits of increased protection.

Mr. MACKENZIE KING: Mr. Chairman, I shall be only too glad to endeavour to make clear my position. What I shall have to say about both the tariff and labour applies generally and at all times. There is a right and a wrong way to deal with any matter. There is a right way to deal with the tariff, and that is to treat all industries alike and not to discriminate with respect to any particular one. At the present time it is suggested that we deal with the tariff only as it relates to one particular industry, and as I said the other evening, we should deal either with all or with none at all. I cannot see why this house should enact tariff legislation in a manner which would single out one particular industry in one locality for one kind of treatment, and do differently with every other industry in every other locality throughout the Dominion. This parliament, I believe, would do well to adhere to the attitude which has been always adopted, namely, not to attempt to discriminate as between industry and industry, as between class and class, or as between locality and locality.

There is a right and a wong method of seeking to redress industrial wrongs. The right method is the direct method; the wrong method is to seek to do by indirect means what cannot be done by direct methods. The right method of dealing with the questions of wages and hours of labour is to deal with them in the legislatures of the provinces, which under our constitution have those questions specifically within their jurisdiction. Hon. members know very well that this parliament has no power to enact an eight hour day in any province of Canada. Hon. members who suggest we should impose an eight hour condition to any one item of our tariff legislation as respects an industry in one particular province, are seeking to do indirectly what they have no right to do directly. That is not a correct method of procedure, and I submit that in the long run we will get nowhere in this country if we attempt to deal with industrial problems in that way.

The constitution of our country clearly defines the different fields in which legislative efforts with respect to certain matters shall be put forth. So far as hours of labour, working conditions, wages and the like are concerned, the constitution of our land lays it down definitely that those are matters for provincial legislatures.

Mr. IRVINE: Might I ask the hon. gentleman—

Mr. MACKENZIE KING: The hon. member has had his say, and I should like to have the opportunity to have mine. He, amongst others, asked me to say something, and I hope he will listen to what I have to say. I repeat that the constitution of our country provides for a known and definite method of dealing with questions of industrial reform, and it will only help to confuse the issue to have the workingmen of this country believe that this is the legislative body to which they should look for laws respecting hours of labour and rates of wages.

Some little time ago this government referred to the supreme court a question with respect to the relative jurisdictions of the federal and provincial governments in matters of this kind, and the decision of the supreme court is very pertinent to the matter under discussion at the present moment. As hon. members well know, this whole discussion arose out of a reference to the treaty of versailles, and to the labour convention of principles associated with the League of Nations in industrial matters. That was how the question first came up for discussion in reference to the tariff generally, and more specifically in reference to the bill regarding the so-called bonus.

An hon. MEMBER: The five cent piece.

Mr. MACKENZIE KING: It was this very matter of obligation as between the federal and the provincial governments arising out of the treaty of Versailles which was referred to the supreme court. I have in my hand the opinion which was given by the Supreme Court of Canada in this matter. It may be well for me to place it on Hansard because it will go very far towards clearing up some of the confusion which has been created in the course of this debate.

On January 12, 1925, the reference to which I refer was made by an order in council of the Dominion government of certain questions as to the obligations of Canada arising out of the Labour part of the treaties of Peace, and also as to the legislative authority of the Dominion parliament or of the provincial legislatures to deal with a certain draft convention which had been adopted by the International Labour Conference (League of Nations) in 1919, limiting the hours of work in industries to eight in the day and forty-eight in the week. The judgment of the court was delivered on June 11, 1925, and it was unanimous. In effect it is a confirmation of the view which was expressed by the law officers of the crown and embodied in an order in council of the Dominion government adopted in November, 1920.

The judgment of the court was in the terms following:—

In the matter of a reference by His Excellency the Governor General in Council to the Supreme Court of Canada of certain questions relating to legislative jurisdiction over hours of labour.

The very question we are discussing at the moment.

The judgment of the court—the Chief Justice and Duff, Mignault, Rinfret, and Magee J.J.—was delivered by Duff J.—

The first of the questions submitted concerns the general effect of one of the clauses in Artcile 405 of the Treaty of Versailles and the corresponding provision in the other treaties of peace. This article is one of those comprised in the labour part (part 13) of the treaties and it defines the undertaking entered into by each of the members respecting recommendations and draft conventions adopted by the general conference of representatives of the members of the League of Nations established as part of a permanent organization for the promotion of the objects set forth in the preamble to that part. The pertinent clause is in these words:—

"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 practical 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 or legislation or other action."

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

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.

The second, third and fourth questions submitted relate to a particular draft convention; that, namely, adopted by the general conference of the International Labour Organization of the League of Nations on the 29th of October, 1919, which has for its object the limiting of the hours of work in industrial undertakings as therein defined to eight hours in the day and forty-eight hours in the week.

Under the scheme of distribution of legislative authority in the British North America Act, legislative jurisdiction touching the subject matter of this convention is, subject to a qualification to be mentioned, primarily vested in the provinces. Under the head of jurisdiction numbered 13 in section 92, Property and Civil Rights, or under the sixteenth head, Local and Private Matters Within the Province, or under both heads, each of the provinces possesses authority to give the force of law in the province to provisions such as those contained in the draft convention. This general proposition is subject to this qualification, namely that as a rule a province has no authority to regulate the hours of employment of the servants of the Dominion government.

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 in 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 a little further down:

It follows from what has been said that the draft convention ought to be brought before the parliament of Canada as being the competent legislative authority for those parts of Canada not within the boundaries of any province; and if servants of the Dominion government engaged in industrial undertakings as defined by the convention are within the scope of its provisions, then the Dominion parliament is the competent authority also to give force of law to those provisions as applicable to such persons.

The convention should also be brought before the lieutenant-governor of each of the provinces for the purpose of enabling him to bring it to the attention of the provincial legislature as possessing, subject to the qualification mentioned, legislative jurisdiction within the province in relation to the subject matter of the convention.

The judgment continues to give answers to the several questions as indicated. I submit that that judgment is a guide as to the correct method of procedure to those who are interested in industrial matters, particularly to those who seek the improvement of conditions under which labour is working in our country. Where the matter is one that comes within the jurisdiction of the Dominion, let us by all means seek to the extent of our power to see that the principles associated with the League of Nations are carried out under federal jurisdiction. That is what the government has done in larger measure at this session than has been done at any previous time. We have in the supplementary estimates which have been brought down an item with respect to employees in only one department of the public service, amounting, as far as I am able to recall at the moment, to something like $667,000. I am not sure that in the supplementary estimates which were laid on the table last night more than $1,000,000 is not being asked of parliament for the sole purpose of making possible the carrying out of the eight-hour day principle in its application to classes of labour or service controlled by the Dominon.

Mr. DUNNING: It is more than $1,000,000.

Mr. MACKENZIE KING: The Minister of Finance tells me that it is over $1,000,000. Similarly with regard to construction work undertaken by the government itself and public works carried out by contract under the government, we have enacted at this session, or there will be enacted when His Excellency the Governor General gives his consent, an eight hour day law and a fair wage law with respect to all labour employed on such work. So far as I am aware, in so far as the jurisdiction of this parliament extends as regards labour, and speaking broadly, there is not left in any particular any provisions of the treaty of Versailles which have not been made applicable to the terms and conditions of employment of persons employed by the government or engaged on government contract construction work. In regard to work carried on in the provinces and under provincial laws, we have followed a method which, in so far as the judgment of the

supreme court which I have read may serve as a guide, is suggested as the one that should be followed.

In the bill which was placed before the hous this afternoon by the Minister of Finance there is an important section which I may be permitted to read again. It applies to the bonus which will be given to the industry being discussed, among other industries which comply with the conditions laid down:

> No payment shall be made to any person or corporation entitled to receive any payment under this act, or any drawback under the tariff item mentioned in the preceding section, where it is shown to the satisfaction of the governor in council that such person or corporation is not complying with laws enacted by the province, in which the industry concerned is operating, for the purpose of maintaining in the operation of such industry hours of labour and rates of wages consistent with the provisions of any international convention adopted by a labour conference held under the treaty of Versailles.

What does that provision mean? It means that this government stands foursquare in its intention, to the extent of its power, not indirectly, not by some subterfuge, but directly, out in the open, in a straightforward way, to do all it can to ensure that the principles associated with the League of Nations with respect to industrial conditions and labour are carried out. Where those principles relate to matters coming within the jurisdiction of the provinces, we say that if a province will notify us that there is any industry within their jurisdiction which is receiving aid from the federal treasury and which is not complying in any particular with any law which it has passed for the purpose of carrying out principles associated with the League of Nations—the eight hour day, the minimum wage, the fair wage, or any of those conditions—we will withhold whatever is being given that industry from the federal treasury. I ask, can there be a more effective way of dealing with these matters?

We are discussing at the moment one particular concern, but these laws are made for all concerns which may to-day or hereafter come to be applicable under them. So far as the industry which has been particularly referred to is concerned, the British Empire Steel Corporation, I believe it is true that that industry has recently been considerably reorganized. I know a good deal about labour conditions in that industry in previous years. I have had something to do with seeking to bring about better conditions in that industry during a period of twenty or thirty years. I have followed the progress of that industry with a good deal of personal interest and concern. I believe it is true that to-day that industry comes nearer to being on its feet, so to speak, in a legitimate way than it has been at any time since its inception. At this moment the men employed in that industry as well as those who have capital invested in it are looking forward hopefully to seeing that industry become established, under fair conditions, in the province of Nova Scotia. Now it may take very little to have that hope realized; it may take equally little altogether to destroy it. What we as a government are seeking to do is to follow the direction given to us by the commission on maritime claims which investigated conditions in Nova Scotia, and which made certain recommendations with respect to what they believe should be done for the iron and steel industry and the coal industry in that province in order to give them their fair chance. We have taken the recommendations of that commission. We have not acted on them hastily. Why?

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: My hon. friend says "hear, hear," and I am very glad he draws attention to it because it enables me to give the reason why. The reason has been given in this house in two or three different sessions. Hon. members opposite from Nova Scotia have asked us at different sessions when we were going to implement these different recommendations of the Duncan commission, and we have replied that we would do it when those connected with the industry itself got together and straightened out their difficulties, reorganized the concern, put it on a fair basis and gave it a fair start.

Mr. MACDOUGALL: Was there any condition in the recommendations made by the Duncan commission such as the right hon. gentleman speaks of?

Mr. MACKENZIE KING: No, there was not, but I say to my hon. friend that we were justified in taking the position that before we should be expected to do anything for this industry we should be satisfied that those who had their capital invested in it were doing by the elimination of watered stock, by settling litigation, and in other ways, all that it was possible to do to put that industry on a fair basis so far as conditions applicable to labour were concerned; and on that account, and also because of delays in tariff hearings for which those engaged in the industry were themselves responsible, we have held back our support in the matter of im-

plementing this recommendation for fully three years. Our action has I think been justified by the reorganization that has taken place.

Now there has been I believe very considerable reorganization effected within that period; I think no one will deny that. I believe that that reorganization has already resulted in material improvement and will result in the course of a short time in a very great improvement with respect to the conditions of labour. My hon. friend from Bow River (Mr. Garland) said that he saw one of the directors of the company around this parliament buildings the other evening, and he said that he would like to know whether the leader of the opposition or the Prime Minister had been conferring with him. I wish some hon. gentlemen would believe that other men seek to be just as honest and straightforward in their dealings as they themselves. I wish that they would not always be imputing or insinuating some sinister or ulterior motive to those who are trying to cooperate with them in seeking to improve industrial conditions—not trying to antagonize them, not trying to make their path more difficult, but trying to cooperate with them in helping to improve the conditions of those in whose welfare we believe they are honestly concerned. May I say to my hon. friend that I had a talk with the director who was here the other evening, and I asked him how long he expected it would be before this industry would establish the eight hour day. I said to him that my belief was that the industry ought to establish it, and establish it forthwith. I said to him: I have seen something of other iron and steel industries that have established the eight hour day in their works, and I cited cases to him where I had reason to believe that the employers themselves were very much pleased with the consequences of the change from the twelve hour to the eight hour day. I said to him that I would like to be in a position when I spoke in this debate to tell this house that that company was serious with respect to the conditions of its labour, and what it was going to do to improve them. His reply to me was that before the company paid out anything in the way of dividends it would be seen that the bonus had helped to improve the conditions of labour, that I might expect to see that before dividends were declared the conditions of labour would be still further improved over what they are at the present time.

May I say this? If I find so far as the British Empire Steel Corporation is concerned that they begin to pay dividends to their shareholders without at the same time improving the conditions of their workmen, in the matter of wages and in the matter of hours, if I am in the place in the government of this country which I occupy at the moment, I will seek to do my part to see that any assistance that is being given by this government is withheld until some action is taken along the right line.

Mr. MACDOUGALL: Perhaps the Prime Minister would tell us what the British Empire Steel Corporation did with the million dollars profit which they made on steel last year. Did they apply that to giving better wages or shorter hours to their workmen?

Mr. MACKENZIE KING: I know nothing about what they have done with it, but I have no doubt their financial statements will speak for themselves. I am not aware that any dividends have been paid by the company. We have heard it said over and over again in this debate that money should not be paid as dividends to the shareholders until something was done to improve the conditions of labour. With that I agree entirely, but I say that the way to go about effecting that result so far as parliament is concerned, is to proceed in accordance with a method that is not open to question, and which in the long run is certain to bring about the best results.

Now, Mr. Speaker, I do not wish to take up further time. All I desire to make clear is this, that so far as Canada is concerned it is a country made up of nine provinces, each with its own government, having jurisdiction with regard to certain matters and this federal parliament to deal with other matters. One of the most serious problems continually confronting us, it seems to me, is to maintain on an even, fair and just basis the relations between the respective provinces and the Dominion, and any efforts that are made, so far as this Dominion government is concerned, to encroach upon the field of the provinces in matters of legislation, or efforts made to coerce the provinces by indirect methods, will not help in the long run, nor will they serve to maintain the structure of confederation as it is to-day. I say, Mr. Speaker, that by each of us in our own field doing the best we can, we will in the end do more for those we are seeking to help than by any other method.

I would say to my hon. friends who have spoken so eloquently and so feelingly on this matter to-night that I hope they will at the earliest opportunity go and repeat the speeches which they have made in this house to the government of Nova Scotia, to the members of that government who have it within their power at this minute—

Mr. MACDOUGALL: You have it too.

Mr. MACKENZIE KING: We have not.

Mr. MACDOUGALL: Yes, you have.

Some hon. MEMBERS: Shut up.

The CHAIRMAN: Order.

Mr. MACKENZIE KING: —who have it within their power to-day to enact an eight hour law in the province of Nova Scotia. If they will pass that eight hour law or any law in respect of wages which is based upon the labour convention of the Versailles treaty or the principles associated with the League of Nations, and will tell us that that law is not being observed by a company that is being aided by moneys from the treasury of this country, and the governor in council has reason to be satisfied that such is the case, then I say from that moment further assistance will be withheld until the law is observed.

Mr. WOODSWORTH: Mr. Chairman, I regret exceedingly that the Prime Minister has taken the stand that he has taken to-night. Once again he has sought refuge behind the British North America Act. Further than that, it seems to me that the statement he has made has tended to obscure the real issue before the house. The judgment of the supreme court, which was read at length and with which we are familiar, deals with legislative authority. No one is proposing to draft legislation here to-night. We know perfectly well that under the decision of the supreme court we cannot draft such legislation. Some of us may doubt whether the decisions of the supreme court might not ultimately be reversed, but so long as they stand we will accept the position for the purpose of this argument that we cannot draft such legislation.

But, Mr. Chairman, none of us to-night is proposing that, none of us is asking the government to do that. What we are asking the government to do is altogether a different matter and one which comes entirely within the jurisdiction of this parliament. What we find to-day is a request from these corporations for special privileges, and what we do say is that in granting special privileges the grantor has a perfect right to lay down the conditions under which they shall be granted. The Prime Minister says that in the future if the company does not live up to the undertaking which they have given to him he will find means to make them do so. Why not find such means now? Some of us have watched these deplorable conditions for a good many years. I have known these conditions to exist during the nine years I have been in this house, and we have seen no amelioration of them. We have had during that time strike upon strike; we have had the military sent down again and again to this district to quell labour troubles; we have had commission after commission go down and report. The Duncan commission report is to be implemented, we are told, because it deals with the relief of the industry; but the other reports are not to be implemented. No, they deal only with the relief of the men who work.



The Prime Minister says that wages and hours of labour should be dealt with by the province. I say as far as legislation is concerned let us concede that. But we have a great many precedents under which we as a parliament may have something to say with regard to wages, working hours and so on. For expamle, when we give a contract we stipulate what wages and hours shall govern, whether the contractor lives in Nova Scotia or British Columbia; that is one case in which we deal with wages and hours—not by legislation, but by regulation, because we are dealing with matters that come under our own jurisdiction. In the same way in the granting of certain licences we determine the conditions under which those licences shall be granted, and it is conceded that we have a perfect right to deal with such matters even though they relate to wages and working hours. We are not putting legislation on the statute books; we are exercising powers vested in this government in relation to the granting of such licences. The same thing applies on the incorporation of a private concern; again and again in the past few years in the case of certain international bridges we have inserted in the charters a fair wage clause, even though these structures authorized were situated in the province of Ontario on one bank of the river and in New York state on the other bank. There again it was not a matter of legislation, but we said: Since these companies come to us asking for incorporation, we have a perfect right to state the conditions under which that incorporation shall be granted. I do not think I need continue to give further precedents along that line.

The Prime Minister says that we must not coerce the provinces. I want to suggest that in this very tariff we have in the past again and again coerced outside bodies. We have even coerced, if you like to put it that way, the empire itself, because we have insisted that there shall be a certain empire content of material and labour in their manufactured goods or else they cannot be imported under the preferential tariff. If you talk of coercion in that sense, I say we are coercing the empire by insisting on certain conditions with which

their manufactured goods must comply. We do no more here. We say: Before this tariff is applicable the industries must come up to a certain standard. That is not legislation, and I do not think the Prime Minister will seriously state that the supreme court decided anything which touches upon this matter at all.

The Prime Minister says that it is not fair to deal with one particular industry, that any legislation should deal with all industries. Possibly that may be correct in theory, but we have pointed out again and again that this particular industry is the only industry in Canada which is working a considerable body of its men eleven and thirteen hours a day. We are not concerned with the other industries that are working their men only eight hours a day; perhaps we are not even concerned with those that are working their men ten hours a day, although that is longer than the hours prescribed by the Versailles treaty. But we are trying to find some means of curbing these corporations that are working their men eleven and thirteen hours a day and seven days a week. And so I say we have to deal with a particular industry, and there is nothing wrong in dealing with that industry when it is the industry that is sinning in this regard.

Further than that it is this particular industry that is seeking this special protection. We are dealing with a special item of the tariff. I would point out to the Prime Minister that some industries are protected to the extent of 10 or 15 or 20 per cent, some to the extent of 30 and 40 per cent; surely we have discrimination between industries. Some industries such as farming, are not protected at all. Surely this is discrimination. Surely the very complexity of our tariff schedules shows discrimination. So when it is stated that we must not discriminate against one industry, again I say we are elaborating a theoretical principle which in practice does not exist. In taking action along this line we are simply doing something which we are doing every day when we put through any of these tariff items.

The Prime Minister has brought forward as the only one contribution that the government is prepared to make in regard to this whole matter a section in the bill before the house, an act to place Canadian coal used in the manufacture of iron and steel on a basis of equality with imported coal. That section would contain a condition that before this bonus is given there should be certain conditions complied with. If the government of the province of Nova Scotia or any other government enacted the eight hour day it would have to be complied with. That may sound well, and it may look well on paper, but it is not worth the paper upon which it is written. Hon. members in this house know very well that the British Empire Steel Corporation practically controls the province of Nova Scotia. We know that since the Versailles treaty this government, in the performance of its duty, has asked the province of Nova Scotia to inaugurate an eight hour working day, and that province so far has refused to do so. There is no particular reason to hope that in the near future the attitude of the province of Nova Scotia will change. Under these conditions we are simply putting in a dead letter clause; that is all that this government is offering to help the situation.

I do not want to prolong this debate, but we in this corner of the house are honest in our contentions, and I think that some who have claimed honesty will permit us to say that we have introduced this matter in the hope that we may secure some alleviation for the conditions under which the steel workers find themselves. I am not concerned with the factional disputes over the items contained in the tariff, but I am concerned in getting better conditions for these labouring men. I had hoped that this government, which has claimed again and again to be the friend of the workers, would solve my problem, but it has failed to do so. At this particular stage of the proceedings I believe it is out of order to offer a resolution, but at a later stage when we are in a position to discuss the bill which I understand is to follow, we propose to move an amendment. It may be that we in this corner of the house are too weak to pass such an amendment; certainly we cannot carry it by ourselves, but I am hoping that a considerable number of gentlemen to my right will come to our assistance, and it may be that there are some hon. members across the floor of the house who will lend their aid. We purpose to move an amendment to the effect that these tariff privileges will be given only when the industry producing the articles has demonstrated to the satisfaction of the governor in council that in the operation of such industry employees are being paid a fair and reasonable wage, and that there has been instituted an eight hour day and a forty-eight hour week in accordance with the conditions of the Washington labour conference held under the authority of the treaty of Versailles. If we are successful in passing an amendment of that nature we will bring immediate relief

to these steel workers. When the government intends to give special privileges which will mean the placing of larger amounts of money into the hands of the British Empire Steel Corporation I see no reason why we should not insist that such privileges should be granted conditionally upon the workers being paid a decent wage and living under decent conditions.

Mr. POULIOT: My hon. friend knows very well that I respect him; we are two members in this house who suffer most through our allegiance to truth and principle. He makes the suggestion that he will propose an amendment, but may I remind him that his proposed amendment is ultra vires of the jurisdiction of this parliament. He wants to help the miners, but if his amendment is ultra vires and is declared null and void by the courts, it will not be much help to the miners.

Mr. WOODSWORTH: In the first place, I am not talking about the miners; I am talking about steel workers. If what I have said does not show that my amendment in the miners' interests is intra vires, nothing I can say will help.

Mr. THORSON: I wish to make a few observations in connection with this matter. I think that the Prime Minister and my hon. friend from Winnipeg North Centre both have the same object in view; they are working in the interests of the workers in the steel industry. As to the constitutional powers of this parliament to impose conditions upon tariff increases I regret that I must differ from the opinion expressed by my leader, the Prime Minister, and must agree with the sentiments of my hon. friend from Winnipeg North Centre. In my opinion it is within the jurisdiction of this parliament to impose such conditions as it might consider reasonable upon any tariff changes which are made in this parliament. We have full jurisdiction over the tariff and we have the right to impose any conditions we desire with regard to tariffs or the changing of tariffs. That is my opinion as to the constitutional powers of this parliament, and I can see no reason whatever why it would not be within our jurisdiction to impose such a condition as has been suggested by my hon. friend from Winnipeg North Centre. The rules of the house preclude any amendment by a private member at this stage, but if my hon. friend will bring in his suggested amendment to the bill when it is in committee I shall be glad to vote for it.

Some hon. MEMBERS: Hear, hear.

Progress reported.

[Mr. Woodsworth.]

## BUSINESS OF THE HOUSE

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to move at this time that the house do not adjourn at eleven o'clock. I think there is unanimous agreement that we should sit at least one hour longer.

Mr. GARDINER: Is there any specified time?

Mr. MACKENZIE KING: Until twelve o'clock.

Motion agreed to.

## WAYS AND MEANS

### CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. Johnston in the chair.

The CHAIRMAN: When the committee rose we were considering item 377c.

Miss MACPHAIL: Mr. Chairman, I feel that there are some things I should like to say in regard to the item under discussion. When one listens to the righteously indignant speech of the Prime Minister one is convinced of what one often hears, that he has a flair for waxing righteously indignant when that particular method is required. Indeed, the Prime Minister, who has time and again said that he was the friend of the worker, and who is now in the position of defending legislation brought forward for the benefit of a special privilege group without at the same time guaranteeing that part of that special privilege for which all the people in Canada pay will be passed on to the worker, has every need for a flair for righteous indignation. I do not forget the conditions of the steel workers as I saw them when I visited Nova Scotia in 1925. These men and women live as none of us want to live; as we would not want any of our people to live, as our hardworking farmers who work more than twelve hours a day live. They do need whatever help we can give them, and I support most heartily what has been said by the hon. member for Winnipeg North Centre.

After all, it is the business of the Dominion parliament to look after the people of Canada and not after the specially privileged groups in Canada. Surely the people in the country soon ought to come to realize what has been true for some time in Canada, that special privilege groups work under the mantles of the two great political parties. When the Prime Minister hurls—particularly at the hon. member for Bow River but after all at all of us in this corner—the suggestion that we are giving ourselves a righteousness that does not

belong to us, we can say to him that we are at least quite honestly and clearly and above board a class group, and we are not ashamed of it. We do not hide it under a mantle with a general name, and it does seem to me perfectly clear that under the mantle of so-called great Liberal principles, special privilege groups are being well looked after and that the welfare of the workers in this particular matter is not being looked after at all.

I am sorry to disappoint the Prime Minister. While I admire the cleverness with which he made his speech and the vigour which came to him—one might almost say the eloquence—I am afraid it falls on deaf ears in this corner. We have heard the same kind of thing for a long time without seeing results follow.

Mr. BROWN: The question which has been going through my mind ever since the proposal was made by the hon. member for Winnipeg North Centre was whether his proposition was practicable and whether it would be possible for a minister of national revenue, entrusted with the administration of an act containing such a provision, to administer that are. I listened with a great deal of interest to the very eloquent speech made by the hon. member for Bow River, and I should be very loath to do anything that would seem for a moment to underestimate the importance of this matter from the humanitarian standpoint; but we are here this evening dealing with a question which we must consider not from the theoretical standpoint only but from the standpoint also of whether or not the proposition is practicable.

With what the hon. member for Bow River said in regard to tariffs in general I am in hearty accord, and if he takes the position that these particular duties are wrong in themselves, I am willing to agree with him most heartily. However, when he takes the position that these tariffs must be levied only on consideration that certain conditions be observed by the Besco Company, and advances that as a practical proposition, I must say that I dissent. He referred to the words of the leader of the opposition, when he said:

> Here we have a chance to say that these increases shall apply only to such mills as maintain the principles of the treaty of Versailles.

I should like the hon. member for Bow River or those who are supporting him in this matter to point out how it is possible to make the benefits of tariff legislation apply only to certain companies in this country. Tariff legislation must be general in its scope; it cannot possibly be made to apply to the Besco Company and not apply to another steel company which possibly may be observing the terms of the treaty of Versailles in regard to the eight hour day.

With me this is a practical proposition; how can it be done? It would seem to me rather inconsiderate of the hon. member for Bow River to recall the words of the leader of the opposition. The hon. gentleman has the sometimes fatal gift of fluency in language, and sometimes I think his words run ahead of his thoughts. I believe that on more mature consideration the leader of the opposition would admit that the proposal involved in the sentence quoted is absolutely impracticable. This is the question which concerns me at the moment, Mr. Chairman: How is it possible, under tariff legislation which must be general in its scope, to make it apply to only such a branch of the industry or to such a company engaged in the particular industry as observes certain conditions? If it were a matter of a bonus to a particular manufacturer, then we might impose that obligation, but how it can be done under tariff legislation is a mystery to me. I hope those who have indicated their intention to bring forward an amendment at a later date will consider it from this standpoint and not be content with general expressions of opinion, not say merely that the thing is theoretically sound, is desirable from the humanitarian standpoint, but also show how it possibly can be done and how the Minister of National Revenue, in carrying out the act, will be able to do it in accordance with the wishes expressed by hon. members themselves.

I express this hope, that when the time comes to move that amendment, as I understand my hon. friends intend to do, they will show that the proposal is practicable. Otherwise I am afraid I shall have to vote against it, as I would feel disposed to do at the present time.

Mr. BENNETT: The observations made by the right hon. Prime Minister more fittingly illustrate the difficulties of disregarding principles than anything I have heard for some time. He says that we must never forget the relative rights, constitutionally, of the provinces, and that to impose conditions upon provinces might be and is highly improper, if not illegal.

Mr. THORSON: We are not imposing any conditions upon the provinces.

Mr. BENNETT: At the moment I am addressing my remarks to the committee; I was referring to the observations of the right

hon. Prime Minister and not to those of his deputy. May I observe that the legislation which was adopted by this house on a previous occasion at the instance of the Prime Minister and his government disregarded that principle? It will be recalled that the premier of Quebec, Mr. Taschereau, has indicated that he has had the opinion of two eminent lawyers to the effect that the action taken by this parliament on that occasion was illegal. We provided for the granting of old age pensions by the provinces, and stated that we would pay half of the money, but we imposed conditions under which we would pay it. Those conditions were imposed upon the provinces whether they did or did not like them; if they accepted the principle they accepted the conditions. This parliament, at the instance of the Prime Minister and his government, imposed upon the various provinces which accepted the old age pensions scheme, a plan which provided conditions under which they could obtain the benefits; if they did not want the benefits, they did not accept the scheme. The scheme contained conditions with which every hon. member of this house is familiar; the hon. member for Winnipeg North Centre knows quite well what they were.

Let us analyze the proposal to see whether it be sound or unsound from the point of view of the constitution. Undoubtedly parliament has the jurisdiction to deal with the tariff; in fact it is the only legislative body in Canada which can deal with that matter. The tariff which existed before the present tariff bill was introduced had existed for many years, and under it and by virtue of reorganization the institution mentioned had grown to a position, as the Prime Minister said, which was better than ever before attained in its history. That being so, a special concession is being given to that organization because of the recommendations of the Duncan report.

Mr. MACKENZIE KING: I was referring to the matter of reorganization of the industry.

Mr. BENNETT: Financially.

Mr. MACKENZIE KING: I do not know anything about the financial position of the industry; I was speaking about the more favourable position of that industry to bring about better relations as between labour and capital.

Mr. BENNETT: That means finance. I think the right hon. gentleman made it abundantly clear that he was not speaking of the conditions with respect to labour; he was speaking of the position of the plant under its present reorganization. It was in the hands of a receiver, which meant that it did not have to pay interest on its debentures or bonds, indeed had not done so until a few months ago, when it was taken out of the hands of the receiver; and an endeavour is now being made to reorganize it under the conditions to which the right hon. gentlemen referred. The only question to which I directed my mind the other evening was whether or not we had a legal right to impose conditions, and I agree with the hon. gentleman from Winnipeg in the view he has expressed in that regard.

Leaving that for the moment, we then consider the matter of an amendment. I do not think there is any doubt that an amendment moved by a private member of this house would be out of order, because it would be interfering with a plan or scheme of finance introduced by the minister. When I made inquiry the other afternoon the clerk of the house satisfied me in that regard. The Deputy Speaker has ruled out of order a certain amendment in that direction.

Mr. DUNNING: Only at this stage.

Mr. BENNETT: It would be out of order at any stage if it interfered with the scheme of the minister.

Mr. DUNNING: I would not say that it would be out of order at a later stage.

Mr. BENNETT: I gathered from the quotation from May which the Chairman read, that that would be the case. However, I am not certain about that, but it has nothing to do with the point I am endeavouring to make. I ventured to point out the other evening that parliament, in my judgment, has the power to adopt this course of action. I made also a very strong statement with respect to the eighty-four hour week. However, any man is entitled to search for information, and in answer to the question raised by the hon. member for Bow River (Mr. Garland) I should like to associate myself with the right hon. the Prime Minister in stating that anyone should be entitled to ask for information without being suspected of improper motives. I asked information of certain gentlemen who I thought would be able to inform me.

The making of steel is a continuous process; it is not a question of an eight hour day, it is a question of shifts. There must be either two or three; if three, they would be of eight hours each, if two, they would be divided into two twelve hour shifts or one thirteen and one eleven hour shift. I have been advised, and I have seen the process

myself, that the work itself is not continuous. Between the opening of the furnace in order to allow the metal to pour out there are certain periods of rest which make the actual hours of labour much less than has been indicated. I have been informed that under modern practice the use of pneumatic tools eases the actual labour to a considerable extent, and the conditions are not as bad as I was led to believe.

Three years ago the system was changed in some of the plants in the United States from two shifts to three, but up to date all the plants have not been able to adopt that new system. This change involves an expenditure of from $200,000 to $300,000 for a moderately small plant, and the reasons given by those responsible for the management of this enterprise for their inability to adopt the new method is that the company is only recently out of a receivership, and the solution as to how they would be able to attain this end has not been arrived at. As I understand it, they have given to the Prime Minister an undertaking that no dividends will be paid upon the capital stock of the enterprise in its reorganized condition unless and until an improvement in working conditions has been provided for those who create the profits out of which the dividends can be paid. Speaking for myself, I am disposed to say that an enterprise which has been in the hands of a receiver as long as this one has been, and which has met with the difficulties encountered by this one, should be given an opportunity—not a long one—to determine whether or not it is possible to attain to the condition which now obtains in the United States Steel Corporation and other plants in the United States.

It is not a question of an eight hour day, but rather one of eight hour shifts, because steel making being a continuous process it is necessary that workmen should be there prepared at all times to do the work. However, I am informed that these men do not work continuously for an eighty-four hour week; they work six days out of the week and have one day in seven of rest. If the furnaces are operated on Sunday it is necessary that some men work on that day, but they receive another day of rest during the week. That is the practice which obtains at the present time in the larger plants. What the hon. member for Winnipeg North Centre has said as to its being advisable from the standpoint of the proprietors has, I think, been abundantly established by the results which have been obtained in certain plants. In view of the information which I have received that some 25,000 men are employed in this enterprise, one has to consider whether or not the promise given steadily to improve conditions until there are three shifts instead of two, should be substituted at this moment for any legislative action. If this were my own property to be dealt with under the circumstances, I would endeavour to see to what extent good faith would be accepted in the promise made by the Prime Minister. That is the way it would strike me at the moment.

The hon. member for Bow River and others have referred to the fact that in days gone by the party with which I am associated has indicated that the protection of the workingman is of fundamental importance. I think they have hardly put the matter fairly. We say that industry can be developed in this country only if it is afforded an opportunity to compete on even terms with industry in other countries. That involves a consideration of rates of pay, hours of labour, cost of raw materials and everything that is a factor in cost of production. But may I add this: the only reason that tariffs are regarded as being of value in that respect is that without tariffs there can be no industry in Canada —let us face that frankly—and there must be a tariff until industry in our own country has attained to such a strength and position that it can compete with industry in other countries. No one in Canada learned that more quickly than the farmer in respect to the New Zealand treaty, and he learned it to his sorrow. No one has learned it better than the bean producers, who have the benefit of the tariff placed on their product at the present session. It was a Liberal government led by a free trade Minister of Finance who placed upon the tariff books of this country for the protection of the bean grower a provision amounting to an increase of something like 200 per cent over the old duty rate.

An hon. MEMBER: Three hundred per cent.

Mr. BENNETT: The rate being four times as much and the increase being 300 per cent.

An hon. MEMBER: Five hundred per cent.

Mr. BENNETT: I am glad to see that my hon. friends are now thinking in terms of hundreds per cent increases in order that they may justify their action to their constituents. They no longer are the party of free trade. They have now become the party of increase in tariffs by hundreds per cent.

The question in this case is purely as to how and when the end can best be accomplished, having regard to the number of people employed and the necessity for some

protection. Protection is not primarily for capital; it is in order that there may be any industry at all in this country that we asked for it in the first instance. We ask for it not as an expedient, not as a deathbed repentance just before an election, but as a principle; when we had no election pending we asked for it from one session to another. Everyone has now adopted it; in the case of my hon. friends opposite not as a principle but as an expedient, and in our case as a continuing principle. I put this to the house: Would there be in this country any industry of any kind in the steel business without some protection? If there would not be, then obviously the tariff ensures employment, and as it ensures employment it therefore is a protection for labour; because it means that labour can stay in Canada and not have to migrate to some other country in order to secure a job.

I could give instance after instance. The hon. member for Bow River referred to the textile industry. The other day I was given the names of nine woollen mills in Ontario that are closed and the number of spindles in those mills that are idle because they no longer have an opportunity to compete on even terms with the mills of other countries. I went to Sherbrooke, to the great Paton plant, and I found there the spindles idle because of the tariff enacted in this house. The manager did not hesitate to say: You can come and look at the machines and the men; there is the list of workmen employed; there is the diminution of the number because of the tariff enacted in parliament. I went to another plant and I found there the same condition.

I give these instances because I desire to point out how unfair are the statements that have been made in the house this afternoon. Protection is a principle that, applied to Canada, means that we have an opportunity to develop our industrial life. Unless we have that we cannot develop; for as long as this country is the slaughter market for the surplus mass production of our great neighbour to the south, there can be no industrial life and consequently no general employment in Canada. That, it seems to me, is the whole reason behind the effort to apply the principle of protection—and the government has now adopted that principle—to the fiscal life of the country. Of course, if this country develops as we believe it will, the necessity for the protection should become less. As the industry strengthens, the necessity for supporting it correspondingly diminishes, and there is no doubt, despite what my hon. friend from Rosetown will say, that the principle enunciated by the Minister of Trade and Commerce is true, namely, that if the domestic industry has the domestic market there will be such competition as to ensure that there will be no increase in prices by reason of communities outside of Canada not being permitted on unfair terms to compete with Canadian industry.

A manufacturer pointed out to me a year ago that if the tariff on his product could be increased 10 per cent, he would reduce his prices by 10 per cent because the volume of his business would be increased accordingly. That has been the history of the United States —volume of business decreasing unit overhead cost and the decreasing of unit overhead cost meaning, of course, a lessening of prices. The point that the Right Hon. Arthur Meighen made in dealing with the problem is that in the mind of every Canadian legislator there is the idea that in giving the necessary encouragement to the development of industry in Canada we should take the essential steps to protect the consumer from exploitation; in other words, that the domestic competition, to which the Minister of Trade and Commerce referred, is ensured in order that there be such active demand for the products produced in our own country that the price will not be out of line with what it would be for the imported article. It does not follow that the price in the domestic market is the price in the foreign country plus the protection. The duty may be high enough to shut out the commodity altogether. Then it becomes necessary for parliament so to legislate as to ensure the consumer against exploitation while supplying an opportunity for labour on the part of our own Canadian people. There can be employment in this country only if we afford the opportunity, and I agree with my hon. friend —and I believe those who have been before me in this position have always enunciated the same view whether in office or out of office —that the application of that principle to the fiscal life of the country is not only for the purpose of developing Canadian life, of affording opportunities for employment to Canadians in Canada, of encouraging the building of homes in Canada, of creating of stable conditions in Canada, but of providing a living wage for men who toil and giving them in addition some opportunity for leisure and the improvement of their homes and family life so that they may become good and useful citizens of this Dominion.

I firmly believe that unless that principle is applied, the end aimed at cannot be attained. Aiming at that end, as we do in Nova Scotia

and other parts of the Dominion, I believe an opportunity should be afforded to those who have given their solemn assurance to the Prime Minister that they will endeavour to bring about that purpose, to see whether or not they can effectuate it; and if with the facilities which the government has at its command those purposes are not effectuated by the efforts of those concerned, then indeed the parliament that grants is the parliament that can repeal.

I have not changed a single thought that I expressed the other evening with respect to a matter of this kind. In view of what was said to me I did make inquiries; I invited an opportunity to ask questions of gentlemen whose words I accept as being true, and the assurance which the Prime Minister was given is an assurance which was given also to myself. I have reason to believe that unless that assurance is implemented by effort, and in the end by results commensurate with the promise given, parliament will not be slow to indicate its views in the premises.

Those are my convictions, which I have no hesitation in expressing to this house because I do not conceive it possible for Canada to make any progress in industry and in the development of our vast resources unless we aim to protect those who toil with their hands as well as those who risk their capital in enterprise. The first consideration must be for those who toil; for they have a more difficult task and are less able to look after their own interests. Capital may seek employment elsewhere usefully and profitably, whereas those who live in our own country can never migrate without grave inconvenience to themselves and the disruption of their homes. It is for these reasons that I venture at this time to say, in connection with the statement made by the Prime Minister, that he applied an entirely different principle in dealing with the problem of old age pensions. It is competent for parliament at all times to impose any condition it pleases upon legislation that it enacts, and granting that those conditions may be imposed, the only question is whether or not that power should be exercised to-day or to-morrow; if to-morrow, then only because waiting until then affords an opportunity to ascertain whether or not, having regard to the complexity of modern industry, the competition that exists, and the difficulties that have been experienced in establishing a stable industry, the assurances given are capable of being implemented to the full.

Mr. EVANS: I did not intend to enter into this debate, but seeing that the house is not disposed to let this measure go through, I will add a word or two. We seem to be enacting over again the old scene which was enacted some thirty years or more ago when these same companies got every concession possible, tariffs, bonuses, and special privileges, to establish an industry down there by the sea. We are no nearer the establishment of a steel industry in Canada to-day than we were when Sir Wilfrid Laurier bonused the Dominion Iron and Steel Company for that very purpose, and our efforts to-day are just as futile as they were then. The tariff has never yet established any industry. There is no industry, according to my friends on the protectionist benches, that is any nearer making its own way to-day than it was forty years ago.

I am sorry that the Prime Minister has thrown out a kind of a challenge to-night to this corner of the house, accusing us of insinuations regarding this tariff question. I have heard before these old promises of having protection extended to other classes. In fact some thirty or more years ago it was a common thing to hear from one end of this Dominion to the other the statement that the workingman was going to get a cosy home and a full dinner pail, and so on; yet after all the billions of dollars that have been spent in the establishment of these industries we are not any nearer that objective than we were thirty years ago, and the conditions of the workingmen in some of our industries cannot be compared with those which prevail in any other country on the northern hemisphere. In fact I believe our workingmen are in a more precarious condition as to their living and employment than the workingmen in England. If we did throw out insinuations, we are in mighty good company. Let me quote from the words of the present leader of the opposition, speaking on this very subject some years ago. He said:

> I appeal to every man in this house and say that if he will take the time to read the history of the operations of Mackenzie and Mann from that time till now, he will find nothing but a long trail of parliamentary corruption, of lobbying, of degradation of parliamentary institutions, of the lowering of the morale of public life, and the degrading of those standards by which public life should be truly measured. Both sides of the house have been to blame. Look to the statute books for the aid that has been given to this company.

Change the name from Mackenzie and Mann to the British Empire Steel Corpora-

tion, and the same words apply to them in all their truth. He continues:

> Just a few days before a general election, one party proposes and the other acquiesces.

What is the insinuation there, may I ask? He continues:

> They are bound to ask a few questions in order that the contribution to the party funds may be large enough.

Who made that insinuation?

> Let us look the business squarely in the face. The time has come when we must take stock of the conditions, and now faced as we are with conditions such as we never met before, we must decide whether we will continue to add to the predatory wealth of promoters or whether we shall strike a blow for the people of this country.

The promises that these companies are going to create conditions that will be respectable and commensurate with the treatment which the workman in this country should receive are not worth the paper they are written on.

Both parties in this house have been very careful of capital and the capitalist, but nothing yet has been done in a permanent way for those who are engaged in primary production or for the man who earns his living by a day's wage. Nothing permanent, I say, has been done. The Prime Minister has already said that this company is on a better footing to-day than it has ever been in the past. Then, let me ask, why increase the protection for this industry? Surely we have given them everything it has been possible to give properly to establish that industry down by the sea. Thirty years ago we gave them practically everything that they could receive. We gave them protection up to 17½ per cent; we gave them favoured railway rates over this Dominion; the province gave them thirty years' exemption from taxation; and in bonuses and bounties untold wealth has been poured into that corner of the Dominion. We gave them $7 a ton bounty on steel rails, and then we paid a price for our steel rails that was nearly twice the amount that it should have been after paying the bounty. For the government sections of the Grand Trunk Pacific railway we paid a price of $32 a ton for the steel rails. It is on record in a paragraph of one of Edward Porritt's books that while we were paying $32 a ton for the steel rails, and giving at the same time $7 a ton bounty, that same company was cutting prices against the whole world and selling rails in the southern Punjab at $24 a ton, and the wheat of the western farmer has been paying for it ever since in freight rates to cover the interest charge on that high cost of construction. I say that the farmer has never been protected, and he never can be. I challenge the leader of the opposition to-night to come out with some plan by which we can protect the farmer. It cannot be done.

The leader of the opposition says that no industry can be established without the tariff, and he points to certain woollen industries and looms that are idle to-day. He wants a duty on wool. Let me give the position of the western farmer as regards his wool. Our woollen market to-day is in the United States, and any wool that is sold in Canada is based on the freight rate all the way to Boston and New York and back here again. Then, as if we had not done enough already, we gave free yarns to these leaders in the woollen industry, and they are importing their yarns rather than making them from Canadian wool. Is that protection for the farmer? No. I say that the increase in protection that we are giving to the steel industry by this budget will be just as futile as the assistance that was given thirty years ago. Protection has never been of any benefit except to the capitalist, and it has not increased their capacity to establish industry in this country. If I have spoken strongly in this house in days gone by, and in this very session regarding the tariff, it has been because the iron has entered my very soul as I see to-day many of my friends and neighbours forced to leave their farms. Instead of the people increasing their hold on the farms, farming is becoming a capitalist concern to be run by high-powered machinery. Our people to-day are leaving the farms, and my own township is a case in point. They cannot make ends meet and into the cities they go to find work. What then? They have to face such conditions as prevail in the steel industry and in our large centres where men congregate to find work. Have we not had a protected country for the last sixty years? What do the leader of the opposition and his party want to do? Where is the limit of protection? Can the protectionist ever be satisfied? No, protection creates its own appetite; the greater the protection the more the protectionist wants.

Now, these are some thoughts that I wanted to throw out to-night regarding the futility of establishing industry by a privileged class through the tariff. By that means we place the interests of that privileged class entirely contrary to the interests of the people. If we are going to apply the tariff to industry, should it be done by giving all the benefits into the hands of one class so that they may exploit the people generally?

No. If the tariff is to benefit industry at all it must go down to the workingmen, and I think that in the days to come if any help is to be given to industry it must be by another plan altogether whereby the workingmen will be afforded a chance through the privilege that is given to industry to get hold of manufacturing concerns themselves as partners. In different countries of the world to-day where the workers are themselves co-operatively running certain industries the results have been very satisfactory. This is the only method by which this money that is handed out to capitalistic concerns through the tariff can be of any benefit. And I am placing no reliance on promises from any member of the government unless those promises are embodied in the act.

Item agreed to.

Customs tariff—389. Provided: that upon any article or commodity enumerated in tariff items 377, 377a, 378a, 378b, 378c, 388a, 388b and 388c of this schedule, not being of greater value than 6½ cents per pound, there shall be levied, collected and paid, under regulations prescribed by the minister, in addition to the rates of customs duties enumerated in such said tariff items, an ad valorem surtax of five per centum when any such said article or commodity contains:

(a) Vanadium, 0.15 per centum or more, by weight.

(b) Molybdenum, 0.15 per centum or more, by weight.

(c) Nickel, 0.4 per centum or more, by weight.

(d) Chromium, 0.4 per centum or more by weight.

(e) Tungsten, 0.4 per centum or more, by weight.

(f) Cobalt, 0.4 per centum or more, by weight.

(g) Manganese, 1.0 per centum or more, by weight.

(h) Silicon, 1.0 per centum or more, by weight.

(i) Any other element, not being iron or carbon, in excess of .5 per centum by weight.

Mr. DUNNING: The question was raised by several members whether the five per cent mentioned in this item is the maximum. It is the opinion of the draftsmen that five per cent is the maximum, but in order to place it beyond peradventure I desire to insert after the word "contains" in line 9 the following words "any one or more of the following."

Mr. BENNETT: The total surtax is five per cent?

Mr. DUNNING: Yes.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—439f. Children's carriages, sleds, and other vehicles; complete parts of all the foregoing: British preferential tariff, 10 per cent; intermediate tariff, 25 per cent; general tariff, 30 per cent.

Mr. BOIVIN: I would ask the minister that this item be dropped altogether, for several reasons. First, we want these goods made in Canada; we want Canadian-born babies to ride in Canadian-made baby carriages. That is one reason. The second reason is that we have about a dozen concerns in Canada with an investment of $1,125,000 in this industry, and they are employing at least 500 people with an annual wage roll of $600,000. I see no reason why these concerns should be destroyed. They are legitimate companies, well equipped with up to date machinery, there is no water in their stock, and they are managed by good business men. Under the existing tariff of 22½, 30 and 35 per cent we find that more goods were brought into Canada from the United States in 1929 than in 1928. Consequently there seems no reason why the tariff on this item should be reduced on American made goods from 35 to 30 per cent. What do we owe the Americans? Why should we open our doors to let them bring in their goods here to compete with our legitimate manufacturers? Most farmers do not buy baby carriages they have no sidewalks to use them on; it is mostly city people that buy them; so I do not think the farmers are very much interested in this item and to reduce the tariff will not do them very much good. I have two of these industries in my constituency and I know they need this protection. Therefore I request the minister to drop the item and leave the duty as it was.

Mr. BENNETT: Was the item before the tariff board?

Mr. DUNNING: Yes.

Item agreed to.

Mr. BENNETT: What about item 61, wheat flour?

Mr. DUNNING: I find that Canada produces in the neighbourhood of 4,000,000 barrels of soft wheat flour. It is practically all milled in eastern Canada from our own native soft wheats, and it is used by the confectioners. I was surprised to learn that there is some export business, the product going as far as Scotland in considerable volume, having relation to the total production. It is also sent to the West Indies where it has become very popular. I am advised that it is possible to arrange to secure supplies of this flour in Canada, and eastern millers state that they are anxious to cater to the western market. They say that even without a mil-

ling in transit rate they can lay the product down in the prairie provinces at prices which will be advantageous to the western users. In car lots the rate from Toronto to Calgary is 76½ cents par barrel.

Mr. BENNETT: That would be only about 38 cents per one hundred pounds. Is my hon. friend sure of the figure?

Mr. DUNNING: I was surprised at the low rate. The rail rate from Fort William to Calgary on similar shipments is 50½ cents per barrel. The lake and rail rate from Toronto to Calgary is less than the 76½ cents. The value at the present time is approximately $5 a barrel, carload lots, f.o.b. the mill. Then of course the customs tariff on biscuits is 30 per cent.

Mr. BENNETT: I certainly was not and I do not think Mr. Shaw was aware of the fact that soft wheat would be available in eastern Canada to supply the small biscuit factories at Regina, Calgary and Edmonton; I did not know that they could get flour from those sources. The new American rate would be $2.03 per barrel, including duty and freight. My hon. friend says that the purchase price is $5 at the mill, and the rate from Toronto to Calgary is about 76 cents per barrel, or a total charge of about $1 per barrel. I think there must be something wrong in the figures supplied by my hon. friend, because formerly the duty was 50 cents, and they paid the 50 cents because they could not get sufficient supplies in Canada. I am simply pointing this out to the minister because the matter is new to me, and as the industry employs about 125 people I thought it my duty to present the case as strongly as I could. If the minister is certain of his position—

Mr. DUNNING: I asked my office to have rates quoted to-day, and I was surprised to find the keen interest taken by the Canadian milling industry in the western trade.

Resolutions reported, read the second time and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 345, to amend the customs tariff.

Motion agreed to and bill read the first and second times.

## DOMINION ELECTIONS ACT

Hon. LUCIEN CANNON (Solicitor General) moved that the house go into committee on Bill No. 309, to amend the Dominion Elections Act.

Motion agreed to, and the house went into committee, Mr. Johnston in the chair.

[Mr. Dunning.]

Sections 1 and 2 agreed to.

On section 3—When new list of voters unnecessary.

Mr. KELLNER: Last year the committee reported that section 9 of the act should be struck out. The labour organizations are very much opposed to this particular section, and I think the hon. member for North Winnipeg intended to move that it be struck out. I do not know whether or not it appears in the present bill.

Mr. POWER: My hon. friend is referring to a section of the Dominion Election Act which was not considered this year in the sittings of the committee.

Mr. KELLNER: That may be so.

Mr. POWER: It was discussed last year, but members of the committee which sat this year decided that the section to which my hon. friend refers should not be taken up in view of the fact that we barely had time to pass the amendments which were urgently needed in order to carry on the present election. I think it was clearly stated to the committee and to the subcommittee of which my hon. friend was a member that the amendments proposed in the fifth and final reports of the committee of last year could not be taken up this year. It was thought that legislation could not be put into effect if we were going to carry on with the bill and finish our business in connection with it in time to deal with matters which were probably of more importance, and matters which would directly affect the coming election. I may say to my hon. friend that that is the only reason why nothing was done in respect to section 9 of the present Dominion Elections Act. I think it is too late at this time to go into the matter he has suggested.

Section agreed to.

Sections 4 to 8 inclusive agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. BENNETT. At the next sitting of the house.

Some hon. MEMBERS: Put it through to-night.

Mr. BENNETT: No, I object; I have a good reason for delaying consideration until the next sitting.

On motion of Mr. Mackenzie King the house adjourned at 12.03 a.m. (Wednesday).

## Wednesday, May 28, 1930.

The house met at eleven o'clock.

### OLD AGE PENSIONS

Hon. CHARLES A. DUNNING (Minister of Finance): Mr. Speaker, I beg to lay on the table report in accordance with the provisions of section 17 of the Old Age Pensions Act of the operation of the agreements made pursuant to the act and of the moneys of Canada paid to the provinces under each of the several agreements entered into pursuant thereto.

### HOUSE OF COMMONS STAFF

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved:

That the organization and establishment of the permanent positions on the staff of the House of Commons, as approved by the house on the 14th June, 1929, be amended as follows:

Committees and private legislation branch: for "4 committee clerks" substitute "5 committee clerks;" delete "1 clerk of petitions."

Debates reporting branch: for "three assistant parliamentary reporters" substitute "4 assistant parliamentary reporters;" add "1 assistant parliamentary reporter (French)."

Mr. SPEAKER: These appointments will be made by the Civil Service Commission under recommendation of the Board of Internal Economy.

### BEAUHARNOIS POWER CORPORATION

#### QUESTION OF PRIVILEGE BY MR. GARDINER RESPECTING REPORTED STATEMENT OF MR. SWEEZEY

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I desire to speak to a question of privilege and to refer to certain statements reflecting on my honour and integrity both as a member of the house and as a private citizen, which are contained in a newspaper, the Toronto Daily Star. I hold in my hand a copy of the Toronto Daily Star of Friday, May 23, 1930. The heading of the article is as follows:

R. O. Sweezey Assails Beauharnois Attack. Electioneering Play, Power Head Styles Demand for Probe.

Special to The Star by Staff Reporter. Ottawa, May 23. In a statement to The Star to-day, R. O. Sweezey, president of the Beauharnois Power Corporation described the attack on Beauharnois in the house yesterday as a crude electioneering play that would deceive no honest or intelligent Canadian.

"I'm afraid," he said, "that Mr. Gardiner has been utterly deceived by a group who have confused him with a jumble of distorted facts and deliberate falsehoods. He has shown such utter disregard for the truth that I should scarcely know where to begin in an attempt to convince him that he has been led into a silly lot of misstatements.

Intelligent investors in this country, however, know full well that last night's kind of performance in parliament is usual on the eve of a general election.

I assure all fair-minded Canadians that our undertaking is sound, honest and sincere. Ninety-nine per cent of Beauharnois Power stock is owned in Canada by Canadians, and there are several thousand shareholders.

Personally, I am very busy with engineering development work, and would as soon try to explain the Einstein theory to an Eskimo as to enter into a controversy with some people."

In the first place I want to say that Mr. Sweezey's statement, as above reported, that I have been deceived by a group who have confused me by a jumble of distorted facts and deliberate falsehoods, is utterly untrue and without foundation in fact. I have not consulted nor have I been consulted by any group, either financial or political, in reference to the Beauharnois project, and the statements made by me in the house were the result of private investigations by myself and certain of my colleagues. His statement that this attack was purely "electioneering play" on my part is not only false but deliberately misleading.

I desire to enlighten him as to both the sources of my information and the reasons which prompted my bringing this matter to the attention of the house. In doing this I am also inspired with the desire to place the facts fairly and impartially before the house and the people of the Dominion of Canada, so that they will be able to decide impartially and fairly as to whether or not what I said in the house in connection with Mr. Sweezey and the Beauharnois project was justifiable or not. In view of the statement that Mr. Sweezey made in the dispatch just quoted, namely, that he does not know where to begin in denying my statements, I propose to give him an opportunity to start by going over the main points of last Thursday's discussion in the house.

The order in council dated Friday, March 8, 1929, P.C. 422, is authority for the statement made in the house respecting the incorporation of the Beauharnois Light, Heat and Power Company, as well as authority for the statement made in connection with the securing of the lease from the province of Quebec and the application made by the

Beauharnois Power Corporation Limited, for approval of its plans by the Dominion government. Surely Mr. Sweezey does not hope successfully to deny the facts mentioned in this order in council, although these are the very facts that are denied by him in the newspaper despatch above indicated. Apparently his conception of the mentality of the members of the house and of the Canadian people is not very flattering, but it is quite consistent when one realizes what he has attempted to perpetrate upon an unsuspecting public. My statement that the Robert interests had to be acquired is founded upon a statement found in a letter signed by Mr. Sweezey himself and addressed to Mr. J. Alderic Raymond, brother of Senator Donat Raymond and the hon. member for Beauharnois (Mr. Raymond). I placed that letter on Hansard last Thursday and hon. members may read it there so that the time of the house may be saved. Further Mr. Sweezey has admitted under oath that he personally purchased the Robert interests referred to in this letter, which interests were essential to this undertaking. If Mr. Sweezey has forgotten about giving such evidence under oath, he can refresh his memory by reference to a transcript of the evidence given by him in connection with this matter.

The statements made in the house that the company was over-capitalized are based on statements contained in a document called "A Statement in Lieu of Prospectus," which was prepared and issued by the Beauharnois Power Corporation Limited, of which he is now president, and filed in the office of the Secretary of State, Ottawa. I have the statement under my hand and I propose to take the time of the house to put it on Hansard in order that hon. members may know that when I was dealing with the capitalization of this company last Thursday I was taking the facts from the statement of the company itself. It is headed first of all, "Dominion." Then "The Companies Act." It continues:

Statement in Lieu of Prospectus
Filed by Beauharnois Power Corporation Limited

Pursuant to section 52 of The Companies' Act presented for filing by McGiverin, Haydon & Ebbs.

1. The nominal share capital of the company.

Five management preferred shares without nominal or par value;

1,799,995 class A common shares without nominal or par value;

3,200,000 class B non-voting common shares, without nominal or par value.

[Mr. Gardiner.]

Provided, however, that the said shares without any nominal or par value may be issued for such consideration as may from time to time be fixed by resolution of the board of directors of the company, not exceeding in the aggregate the sum of $50,000,000, or such greater amount as the directors may deem expedient and as shall be authorized from time to time by the Secretary of State of Canada.

2. Divided into—

(See answer to one above.)

3. Names, description and addresses of directors or proposed directors.

Osmond F. Howe, barrister-at-law, Trust building, Ottawa, Ont.

Duncan K. MacTavish, barrister-at-law, Citizen building, Ottawa, Ont.

Belle Fraser, stenographer, Ottawa Electric building, Ottawa, Ont.

Lyla Brennan, stenographer, Ottawa Electric building, Ottawa, Ont.

Edythe H. O'Malley, stenographer, 115 Sparks street, Ottawa, Ont.

Bessie Conniffe, stenographer, 115 Sparks street, Ottawa, Ont.

Lillian Dell, stenographer, Trusts building, Ottawa, Ont.

Elsie M. Burritt, stenographer, Ottawa Electric building, Ottawa, Ont.

Gwen Gunderson, stenographer, Trusts building, Ottawa, Ont.

Kathleen Havey, stenographer, Ottawa Electric building, Ottawa, Ont.

M. H. Kelly, stenographer, Ottawa Electric building, Ottawa, Ont.

4. Minimum subscription (if any) fixed by letters patent supplementary letters patent, or by-laws on which the company may proceed to allotment.

None fixed.

5. Number and amount of shares and debentures agreed to be issued as fully or partly paid-up otherwise than in cash. The consideration for the intended issue of those shares and debentures.

No shares or debentures have as yet been agreed to be issued other than the 5 management preferred shares and 22 class A common shares subscribed for by the applicants for the letters patent all of which have been paid in cash.

6. Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company. Amount (in cash, shares and debentures) payable to each separate vendor. The Beauharnois power syndicate, an unincorporated syndicate, organized and existing under and in virtue of an agreement made at the city of Montreal on the 4th day of April, 1928, by and between F. Stuart Molson and others of the first part and Marquette Investment Corporation of the second part whose address is Yorkshire Insurance Building, St. James Street, Montreal, Quebec. It is intended that the company shall enter into an agreement with the said the Beauharnois Power Syndicate and Marquette

Investment Corporation, (a company incorporated under the Quebec Companies' Act) as depository providing for the acquisition by the company and/or its nominees upon the terms and conditions therein set out of the undertaking and assets of whatsoever nature of the syndicate (except any unpaid balances and any uncalled balances for which the syndicate members may be liable to the syndicate in respect of the part interests of the syndicate held by them respectively).

The intended consideration for such acquisition shall be—

(a) The sum of $4,750,000 payable to the syndicate by the company at the time and upon the conditions set out in the said agreement;

(b) The assumption by the company of the liabilities and obligations of the syndicate (except its liabilities and obligations to its members as such) and

(c) An undertaking by the corporation to defray the expenses (to an amount not exceeding $10,000) of the winding-up of the affairs of the syndicate, and the distribution of its assets among its members.

The said agreement further provides for the subscription by the said syndicate at $1 per share for one million class A common shares of the company, such shares to be allotted and issued to the nominees of the syndicate, and to be paid for at the time of the transfer and delivery of the undertaking and assets of the syndicate to the company and/or its nominees, and the payment of the said sum of $4,750,000 by the company to the syndicate.

The liabilities of the syndicate assumed by the company as stated in sub-paragraph (b) will include a liability to pay $20,000 and 21,000 class A common shares of the company to William Henry Robert and Sarah Mary Robert, both of 1452 Bishop street, Montreal, Joseph A. Robert of 371 Wilbrod street, Ottawa, and Edmund A. Robert, Linton apartments, Montreal, the vendors of the said syndicate of certain of the assets to be acquired by the company as aforesaid.

Names and addresses of vendors of property purchased or acquired or proposed to be purchased or acquired by the company.

Amount (in cash, shares and debentures) payable to each separate vendor.

7. Amount (if any) paid or payable (in cash or shares or debentures) for any such property, specifying amount (if any) paid or payable for goodwill.

(See answer to 6 above.)

8. Amount (if any) paid or payable as commission for subscribing, or agreeing to subscribe, or procuring or agreeing to procure subscriptions for any shares or debentures in the company, or rate of the commission.

Nil.

9. Estimated amount of preliminary expenses, $75,000.

10. Amount paid or intended to be paid to any promoter.

Consideration for the payment.

(See answer to 6 above.)

11. Dates of, and parties to, every material contract (other than contracts entered into in the ordinary course of the business intended to be carried on by the company or entered into more than two years before the filing of this statement.

No contracts have as yet been entered into by the company. See however, answer to 6 above. It is also intended that the company shall enter into an agreement with Newman, Sweezey and Company, Limited, a company incorporated under the laws of the Dominion of Canada, and The Dominion Securities Corporation, Limited, a company incorporated under the laws of the Dominion of Canada providing for the creation and issue of thirty-year 6 per cent collateral trust sinking fund bonds of the company to an authorized principal amount of $30,000,000 as set out in such agreement and providing for the sale to Newman, Sweezey and Company, Limited, and The Dominion Securities Corporation, Limited, of $30,000,000 in par value of the said bonds together with 770,000 class A common shares of the company for the price of $27,000,000 and accrued interest on the said bonds to the date of delivery all upon the terms and conditions set out in the said agreement.

12. Time and place at which the contract or copies may be inspected.

Names and addresses of the auditors of the company (if any).

When the intended contracts above mentioned have been entered into the copies may be inspected at the offices of the company, Drummond building, Montreal, during reasonable business hours.

No auditors have as yet been appointed for the company.

13. Full particulars of the nature and extent of the interest of every director in the promotion of or in the property proposed to be acquired by the company, or where the interest of such a director consists in being a partner in a firm, the nature and extent of the interest of the firm, with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to become, or to qualify him as a director, or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the company.

Nil.

14. Whether the by-laws contain any provisions precluding holders of shares or debentures receiving and inspecting balance sheets or reports of the auditors or other reports.

Nil.

Dated at Ottawa, this 30th day of September, 1929.

Witness:

Daniel Baker.

(Sgd.) Osmond F. Howe,
Duncan K. MacTavish,
Belle Fraser,
Lyla Brennan,
Edythe H. O'Malley,
Bessie Conniffe,
Lillian Dell,
Elsie M. Burritt,
Gwen Gunderson,
Kathleen Havey,
M. H. Kelly.

That, Mr. Speaker, is the statement which was filed in the office of the Secretary of State

in lieu of a prospectus of this company. It sets out very clearly the claim which I made last Thursday when I dealt with the capitalization of the company.

The valuation of the shares of this corporation is fully dealt with in a statement described as an "Analytical study of values of the Beauharnois Corporation" by Robert Dodd and Company, Incorporated, dated March 31, 1930, which gives the value of the class A and class B shares at the end of a five-year period This valuation is based on an earning power of $4.25 a share. The study goes further and states at the end of a ten-year period these shares will earn around $10 per share, so that the value of the shares will then be in the neighbourhood of $141 per share. All that is fully and carefully explained.

I hold in my hand a document issued by the Robert Dodd and Company Incorporated, investment bankers, Royal Bank building, Montreal. It is headed "Beauharnois Power Corporation—A comprehensive analytical study of values." I quote one paragraph:

Over $4 per Share

It will be observed that our analysis discusses in circumstantial detail the expectations of this 30-year bond-share-warrant investment over a five year period, when 1,000,000 h.p. should be in operation; and we show with that production unit, which is 50 per cent of the final objective, an earning power equal to slightly over $4 a share on the combined common stock outstanding.

With this $4.25 per share earning power on half the projected development, we believe a price of $60 for the stock to be quite conservative, without giving consideration to the investment momentum which will gather force when the public realize the company's industry—building characteristics in the territory adjacent to the Beauharnois operations.

We also give due consideration to the fact that it will be several years before dividends are declared, but in that respect it is well known that market increment does not wait for dividend declarations—and precedent tells us that prospective discounting of events is the astute investor's road to Eldorado.

The following tabulation considers the prospective market equity of the 30-year bond and its share attachments, if all securities, bond and shares, are held for permanent investment at a market price of, say, $60 a share for the common stock.

| | |
|---|---|
| A $1,000 bond cost.. .. .. .. .. ..$ | 1,000 |
| 5 shares valued at $60.. .. .. .. | 300 |
| Increment on 20 shares at $25.. .. | 500 |
| Market value of the $1,000 investment.. .. .. .. .. .. .. .. .. ..$ | 1,800 |

On this tabular calculation, we find what is equal to an 80 per cent increase in the capital investment, on a bond which returns a regular 6 per cent yield during the entire period of increment growth.

Then we have another paragraph, Mr. Speaker, that is important:

[Mr. Gardiner.]

As we have shown in this analytic study, there is every reason to anticipate the progressive sale of the total projected 2,000,000 horse-power, as and even before each 500,000 units is completed. Therefore, we would estimate, within ten years, an annual gross revenue of at least $40,000,000. This will entail a mortgage capitalization of well under $200,000,000, which, at, say, the high average of 6 per cent, would require $12,000,000 as fixed charges, with $4,000,000 of over-all operating costs, resulting in a net surplus of $24,000,000, equal to $10 a share on the combined "A" and "B" stock.

While it is perfectly true that this analytical study is not an official publication by Mr. Sweezey, the fact nevertheless remains that in a prospectus issued by the same Robert Dodd & Company Incorporated, and which is signed by Mr Sweezey himself, the value of "B non-voting shares" is fixed at $35 a share and the bondholders are given the privilege of purchasing class B shares at that figure.

Mr. ROSS (Moose Jaw): Mr. Speaker, I rise to a point of order. Is an hon. member allowed to bring up a question again that has already been debated on a motion for adjournment of the house to discuss a matter of urgent public importance? This is not a question of privilege; it is a question of special privilege.

Mr. SPEAKER: This is a question of privilege and Bourinot says at page 303:

In the Canadian house questions of privilege take a wide range, but it may be stated in general terms that they refer to all matters affecting the rights and immunities of the house collectively, or to the position and conduct of members in their representative character. In this category may be placed: motions touching the seat or election of members; reflections or libels in books and newspapers on the house or members thereof, or any of its committees; forgery of signatures to petitions; motions for new writs; questions affecting the internal economy or proceedings of the house;

Bourinot says also that great latitude is given in the house when the question of privilege is raised. But the question of libel should be dealt with in a brief way so as not to take up the time of the house unduly. The moment the hon. gentleman has denied the statement and explained why it is not true according to his own interpretation he should not proceed much further. I understand the hon. gentleman is practically through.

Mr. GARDINER: Not quite, Mr. Speaker, I will not take very many more minutes.

Mr. SPEAKER: Very well.

Mr. GARDINER: Mr. Speaker, it is rather remarkable that any hon. member should question my right after I had read this statement in the press despatch:

"I am afraid," he said,—

That is, Mr. Sweezey.

—"that Mr. Gardiner has been utterly deceived by a group who have confused him with a jumble of distorted facts and deliberate falsehoods."

I am trying to show, Mr. Speaker, that every word I said was absolutely true, and I am going to proceed. The prospectus is so worded that one is forced to the conclusion that the bondholders are getting more or less favoured treatment in respect to class B shares, and that if the general public were allowed to purchase them $60 would likely be the amount that would be asked for them.

The charge made in the house that this company was violating the terms of its lease and order in council is founded on and substantiated by the prospectuses signed by Mr. Sweezey and issued by Wood, Gundy & Company Limited, Dominion Securities Corporation Limited, Robert Dodd & Company Incorporated, and a number of other brokerage houses both in Canada and in the United States.

In these prospectuses it is made perfectly clear that the plans of the company make provision to take the whole flow of the river through the company's canal and that work is being done under these plans with that end in view and money being spent therefor. All clearly in violation of the terms of its lease and of the order in council.

I have in my hand a copy of this prospectus issued by Robert Dodd & Company Incorporated, investment bankers, the Royal Bank Building, Montreal. I realize, Mr. Speaker, that it is getting late in the session and desirable that the house should conclude its business as soon as possible. Therefore if I have the permission of the house I will not read the prospectus, but if I have not that permission, then I must proceed to read it, because in it is contained many of the allegations which I made last Thursday, and I am here, sir, to protect my honour. May I have the permission of the house to file this with Hansard?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: I think in view of the position occupied by the hon. gentleman as the leader of an important group he should be allowed to place the statement on Hansard. It will save time also.

Some hon. MEMBERS: Carried.

This is the statement referred to:

$30,000,000

(Closed Issue)

Beauharnois Power Corporation Limited

(to own and control Beauharnois Light, Heat, and Power Company and other subsidiary companies which are proceeding with the installation of 500,000 horse power on the St. Lawrence River.)

Thirty-year 6% Collateral Trust Sinking Fund Bonds

With Stock Bonus Delivery Warrants and Stock Purchase warrants attached

To be dated October 1, 1929.

To be due October 1, 1959.

Principal and semi-annual interest (April 1 and October 1) payable at the holder's option in lawful Money of Canada at any branch of the Bank of Montreal in Canada (Yukon Territory excepted) or in the United States gold coin of or equal to the present standard of weight and fineness, at the agency of the said Bank in New York City, or in sterling at the fixed rate of $4.86\frac{2}{3}$ to the pound, at the chief office of the said Bank in London, England. Redeemable at any time in whole or in part for Sinking Fund or otherwise, at the option of the Corporation, on sixty days' notice at 103%, to and including October 1, 1934; and thereafter, prior to maturity at 103%, less one-half of one per cent for each five years or part thereof elapsed since October 1, 1934, and in each case with accrued interest to the date of redemption. Coupon Bonds registerable as to principal only in denominations of $1,000, $500 and $100. Fully Registered Bonds in denominations of $1,000 and authorized multiples thereof.

Trustee: The Royal Trust Company, Montreal.

Stock Bonus Delivery Warrant

Attached to each Bond will be a stock Bonus Delivery Warrant conferring the right to receive on or after October 1, 1932 (or such earlier date as may be notified in the manner to be stated in the Warrant) from the Royal Trust Company, Montreal, without payment, on surrender of such Warrant, fully paid Class A Common Shares (no par value) of Beauharnois Power Corporation Limited, on the basis of five such shares in respect of each One thousand dollars ($1,000) of Collateral Trust Bonds. Such Warrant will be non-detachable otherwise than by the Trust Company at the time of its surrender, except in the event of the Bond being redeemed, in which case the Warrant will be detachable by the Trust Company, remain in force and confer the right to receive shares as above set out. Fractions of shares will be adjusted at time of exercise of the Warrant, at market prices. All as will be more fully set out in the Stock Bonus Delivery Warrant.

Stock Purchase Warrant

There will also be attached to each Bond a Stock Purchase Warrant conferring the right on surrender of such warrant to the Trustee at any time on or after October 1, 1932 (or such earlier date as may be notified in the manner to be stated in the Warrant) but not later than October 1, 1937, to purchase at $35 per share, fully paid Class B Non-Voting Com-

mon Shares (no par value) of Beauharnois Power Corporation Limited, on the basis of twenty such shares in respect of each One thousand dollars ($1,000) of Collateral Trust Bonds. Such Warrant will be non-detachable (otherwise than by the Trustee at the time of its surrender) except in the event of the Bond being redeemed, in which case it will be detachable by the Trustee and remain in force until October 1, 1937.

In the event of provision for distribution of its assets as an entirety or substantially as an entirety, sixty days' notice may be given by the Corporation within which the stock purchase right conferred by the Warrant may be exercised, and on the termination of such notice such right shall cease. But any Class B Common Shares so purchased on or before such termination shall be entitled to participate in such distribution of assets. The Corporation reserves the right to increase the amount of its authorized or outstanding shares and otherwise change its capital structure, but in the event of subdivision or consolidation of its Class B Common Shares, or their conversion into shares of another kind, the rights conferred by the Warrant will be correspondingly adjusted. All as will be more fully set out in the Stock Purchase Warrant.

These Bonds are offered for sale when, as and if issued and received by us and subject to the approval of Messrs. Meredith, Holden, Heward & Holden, on behalf of the Corporation, and Messrs. Blake, Lash, Anglin & Cassels on behalf of the Bankers, as to the incorporation and organization of the Corporation, the issue of its stock and the creation and issue of the Bonds, and of Aimé Geoffrion, Esq., K.C., as to the franchise and water rights of Beauharnois Light, Heat & Power Company and the contracts for sale of power already entered into by it.

Price: 100 and accrued interest

It is expected that Trustee's interim certificates or receipts will be ready for delivery on or about December 17, 1929

Robert Dodd & Company
Incorporated
Investment Bankers
The Royal Bank Building
Montreal

Statements contained in this circular, while not guaranteed, are based upon information and advice which we believe accurate and reliable

Letterhead—Beauharnois Power Corporation Limited

Montreal, December 2, 1929

Newman, Sweezey & Company, Limited,
The Dominion Securities Corporation, Limited,
Wood, Gundy & Company, Limited.

Dear Sirs:

Referring to the purchase of $30,000,000 Thirty-year 6% Collateral Trust Sinking Fund Bonds of Beauharnois Power Corporation Limited, I give you the following information:

Beauharnois Power Corporation Limited has been incorporated under the laws of the Dominion of Canada and is to own or control all the outstanding shares of Beauharnois Light, Heat and Power Company (which is carrying on the Beauharnois hydro-electric development) and of its associated companies, Beauharnois Land Company, Beauharnois Transmission Company and Beauharnois Construction Company.

[Mr. Gardiner.]

Beauharnois Light, Heat and Power Company

Beauharnois Light, Heat and Power Company has acquired under a lease from the Province of Quebec extending to the year 2003, and under authorization from the Governments of the Dominion of Canada and the Province of Quebec, water power rights on the St. Lawrence River about twenty-five miles above the City of Montreal. Its power house, in which it is proposed to install equipment capable of producing 500,000 horse power, will be west of the Town of Beauharnois, on Lake St. Louis. This development involves the construction of a canal approximately fifteen miles in length to the south of the River St. Lawrence, running from Lake St. Francis to Lake St. Louis. Complying with the conditions imposed by the Dominion Government, the canal has been designed so that if the St. Lawrence Deep Waterways project is proceeded with, the canal can be used jointly for navigation and power purposes. In addition to the above water power rights the Beauharnois Light, Heat and Power Company has entered into a contract with Montreal Cotton Company providing for the acquisition of the latter's rights to divert water for power purposes from the St. Lawrence River at Lake St. Francis. In the opinion of the Company's engineers, the water available from the above sources when diverted through the canal will generate 500,000 horse power equivalent to 7,500,000 kilowatt hours per day. Between Lake St. Francis and Lake St. Louis the St. Lawrence River drops eighty-three feet in a series of rapids, making this section of the River one of the most important water power sites in Canada, being capable of developing about 2,000,000 horse power. The average low water flow of the River through this section is approximately 220,000 cubic feet per second. Of this flow approximately 120,000 cubic feet per second is presently allotted to power developments, which amount includes the quantity allocated to the Beauharnois Light, Heat and Power Company. It is estimated that the unallocated balance of about 100,000 cubic feet per second, if passed through the Company's canal, would permit installation of approximately 1,000,000 additional horse power. The Company's proposed development, in the opinion of its engineers, is the most efficient method of utilizing the entire drop in this section of the River. In view of the above provision is made in the plans and considerable work is now being done with a view to installing further units if additional water becomes available. After the completion of the present 500,000 horse power installation it is estimated that further units can be installed at an average cost of less than $65 per horse power. The present plans contemplate that 200,000 horse power will be available by October 1, 1932, at which time the Company will commence delivering the first blocks of power under contracts already entered into, and that the total of 500,000 horse power will be available by October 1, 1935.

Engineering

The plans and estimates of the present development have been prepared or approved by the following engineers on behalf of Beauharnois Light, Heat and Power Company.

Frederick Baylis Brown, Esq., Montreal, Que.
Thomas H. Hogg, Esq., Toronto, Ont.
William S. Lee, Esq., New York City.

These plans and estimates have been concurred in by Albert S. Crane, Esq., consulting engineer of New York City, acting on behalf of the Bankers.

Capitalization

Beauharnois Power Corporation Limited
(Upon completion of present financing)

| | Authorized | To be issued |
|---|---|---|
| Collateral Trust Bonds (this issue) | $30,000,000 | $30,000,000 |
| Management Preferred Shares (no par value) | 5 shares | 5 shares |
| Class A Common Shares (no par value) | 1,799,995 shares | 1,791,000 shares |
| Class B Non-Voting Common Shares (no par value) | *3,200,000 shares | None |

*600,000 Class B Non Voting Common Shares to be available for purchase under Stock Purchase Warrants attached to the Bonds.

The Management Preferred Shares above mentioned confer on the holders the exclusive right for a period of ten years from September 17, 1929, to elect and remove the Directors of the Corporation and otherwise confer in respect thereof the same rights as if each Management Preferred Share were a Class A Common Share. The Management Preferred Shares at the end of the ten-year period will automatically be converted into Class A Common Shares, but, with the consent of all the holders thereof, may be so converted prior to that time. These shares have been provided to ensure continuity of direction and policy during the important initial period covering the construction and early operation of the development of Beauharnois Light, Heat and Power Company, and will be held between Hon. W. L. McDougald, M.D.; R. O. Sweezey, Esq.; and A. F. White, Esq.

Class B Non-Voting Common Shares do not carry the right to attend or vote at meetings, but otherwise are entitled to the same righs as Class A Common Shares in all respects.

Beauharnois Light, Heat and Power Company

Proposed Bond Issue

It is proposed that Beauharnois Light, Heat and Power Company shall issue in due course bonds, debentures or other securities in such principal amounts (estimated at $50,000,000) as its Directors may from time to time consider sufficient, together with the monies made available to it from the proceeds of the Collateral Trust Bonds, to complete the installation of five hundred thousand (500,000) horse power. The above-mentionned bonds, debentures or other securities will not constitute a closed issue and the Company will be permitted to issue further securities as more specifically set out below.

Power Contracts

Beauharnois Light, Heat and Power Company has entered into contracts extending beyond the maturity of these Bonds with The Hydro-Electric Power Commission of Ontario for the sale of 250,000 horse power and with Montreal Light, Heat and Power Consolidated for the sale of 150,000 horse power. The first blocks of power under these contracts are to be taken on October 1, 1932, with increasing quantities each year, the full amount to be taken at the end of five years. From past experience it is anticipated that, owing to the rapidly increasing demand for power, the entire amount of power deliverable under the above contracts will be required well before the end of the five-year period. These two contracts dispose of 400,000 horse power of the 500,000 horse power now being installed, and it is expected that the balance of available power will be under contract before the plant is completed. The construction plans for the development have been prepared with a view to making available in the most economical manner the amount of power estimated to be required each year.

Earnings

| | |
|---|---|
| It is estimated by the engineers of Beauharnois Light, Heat and Power Company that upon the sale and delivery of the 500,000 horse power now being installed, the consolidated annual earnings of Beauharnois Power Corporation Limited and its Subsidiary companies (after providing for all operating expenses) available for interest and Sinking Fund on the First Mortgage Bonds of Beauharnois Light, Heat and Power Company and on these Collateral Trust Bonds will amount to over. | $6,200,000 |
| It is estimated that annual interest and sinking fund requirements on the securities of Beauharnois Light, Heat and Power Company expected to be issued in connection with completion of the 500,000 horse power, now being installed, will be.. .. | $2,750,000 |
| Balance available for annual interest and sinking fund on these Collateral Trust Bonds.. .. .. .. .. | $3,450,000 |
| Annual interest and sinking fund requirements on these Collateral Trust Bonds.. .. .. .. .. .. .. .. | $1,950,000 |

The revenue from the sale and delivery of 400,000 horse power now contracted for by the Hydro-Electric Power Commission of Ontario and Montreal Light, Heat and Power Consolidated, will be more than sufficient to pay all estimated operating expenses of Beauharnois Light, Heat and Power Company, interest and sinking fund on the First Mortgage Bonds of the Company expected to be issued in connection with the installation of 500,000 horse power as set out above, and interest and sinking fund on these Collateral Trust Bonds.

Security

The Collateral Trust Bonds are to be secured by a first fixed and specific charge on all the shares at any time outstanding of Beauharnois Light, Heat and Power Company, Beauharnois Construction Company, Beauharnois Land Company and Beauharnois Transmission Company, on any shares of any other corporation acquired with the proceeds of the Collateral Trust Bonds, and on the principal of all indebtedness in favour of the Corporation arising from the application of the proceeds of the bonds, and also by a first floating charge on the undertaking, property and assets, present and future, of the Corporation. The first fixed and specific charge on the shares of such companies is not to prevent the issue by any of such companies of bonds, debentures or other securities or other evidences of indebtedness, but the issue of such bonds, debentures or other securities by Beauharnois Light, Heat and Power Company is to be permitted only:

(a) to such principal amounts (estimated at $50,000,000) as its Directors may from time to time consider sufficient, together with the monies made available to it from the proceeds of the Collateral Trust Bonds, to complete the installation of 500,000 horse power; and

(b) to an additional principal amount equal to the cost or estimated cost (including interest charges, taxes during construction and discount on securities) of the installation or proposed installation of additional horse power and/or of the acquisition or proposed acquisition of rights and other property in connection therewith, provided that the total principal amount of such securities at any time outstanding in respect of such additional horse power shall not exceed in the aggregate $100 for each additional horse power installed or proposed to be installed; and

(c) to an additional principal amount equal to not over seventy-five per cent (75%) of the cost (as above defined) of any other rights and other property acquired or constructed or contracted to be acquired or constructed by or on behalf of Beauharnois Light, Heat and Power Company in connection with its business;

Provided that Beauharnois Light, Heat and Power Company may borrow from and give security to banks, may give purchase money, mortgages, and may incur unsecured indebtedness, all in the ordinary course of business, and may borrow from and give security to Beauharnois Power Corporation Limited.

Such securities of Beauharnois Light, Heat and Power Company may be issued from time to time in such series, made payable in such currencies and places, on such date or dates and with such rates of interest and carrying such sinking fund, conversion, redemption and other provisions as its Directors may from time to time determine.

All as will be more fully defined in the Instruments securing such bonds, debentures or other securities.

Sinking Fund

The Trust Deed securing the Collateral Trust Bonds will provide for an annual cumulative Sinking Fund, commencing in the year 1940, under which on or before October 1 of each year from 1940 to 1958, inclusive, payments of not less than $150,000 will be made, together with a sum equal to the annual interest which would have been payable on all Bonds previously retired through the operation of the Sinking Fund had such Bonds remained outstanding. This Sinking Found is to be used for the purpose of retiring Bonds of this issue by purchase at or below redemption prices, failing which Bonds will be redeemed by lot. All as will be more fully set out in the Trust Deed securing this issue.

Proceeds of Issue

The entire proceeds of the Collateral Trust Bonds will be deposited with the Trustee to be released to or to the order of the Corporation in accordance with the provisions of the Trust Deed securing this issue, and will be used by the Corporation for the acquisition of the undertaking and assets of The Beauharnois Power Syndicate (including the whole of the issued stock of Beauharnois Light, Heat and Power Company), for proceeding directly or through subsidiaries with the construction of the Beauharnois power development, with the acquisition of rights and other property in connection with the project and for other corporate purposes.

[Mr. Gardiner.]

Board of Directors

The Board of Directors will include

Hon. W. L. McDougald, M.D., Chairman of the Board, President, The Harbour Commissioners of Montreal.

R. O. Sweezey, Esq., President. President, Newman, Sweezey and Company, Limited.

A. F. White, Esq., Vice-President. Vice-President, The Canadian Bank of Commerce.

Aimé Geoffrion, Esq., K.C. Director, The Canada Life Assurance Company.

S. Godin, Jr., Esq. Director, British Columbia Power Corporation Limited.

J. H. Gundy, Esq. President, Wood, Gundy and Company, Limited.

Miller Lash, Esq., K.C. President, Brazilian Traction, Light and Power Company, Limited.

G. H. Montgomery, Esq., K.C. Director, Montreal Light, Heat and Power Consolidated.

Hon. P. J. Paradis. Director, Quebec Power Company.

M. W. Wilson, Esq. General Manager, The Royal Bank of Canada.

Yours very truly,

(Signed) R. O. Sweezey,
President Beauharnois Power
Corporation Limited.

The charge that the government disregarded the recommendations made unanimously by the joint board of engineers is founded on the fact that if the recommendations of the joint board of engineers had been followed the canal would be located in an entirely different place to where it is now being dug.

May I here point out for the benefit of the honourable members of this house and of the people of the Dominion that the recommendation of the joint board of engineers in connection with this matter is contained on pages 36, 37 and 38 of their report. With the permission of the house I will quote section 175 of the main report of the joint board as found on page 38 thereof:

175. Conclusions—The board unites in the view that the navigation improvement combined with the progressive development of power (paragraphs 162 to 169) hereinbefore set forth better provides for the present and future development of the waterway than any scheme for navigation alone, and is therefore the disirable scheme, if arrangements are made whereby power interests bear a fair proportion of the cost of the initial expenditure required.

The plan outlined in paragraphs 162 to 169 mentioned in the above paragraph is an entirely different plan to that proposed by the Beauharnois Light, Heat and Power Company and approved of by the government. It will be clearly seen that the plan recommended by the joint board is a plan in which navigation and power are combined and their report on that situation is unanimous. It is true, however, that where navigation alone was considered the board was unable to agree on a plan. The

majority of the Canadian section favoured the development of the south shore of the St. Lawrence river, a plan similar to the Beauharnois project, but it must be recalled that the other members of the Canadian board and the United States section recommended a different plan. But the fact nevertheless remains that when that power and navigation were combined the joint board of engineers were unanimous in recommending a plan entirely different to the Beauharnois plan and the government in approving of the Beauharnois plan did not accept the recommendations of the Joint Board of Engineers.

The charge made in the house that Sweezey and his associates were guilty of fraud and should be prosecuted under the criminal code have their foundation in the fact that the above advertising is not in accordance with the facts. According to the statements of Mr. King and Mr. Bennett there is no agreement between either the Liberal or the Conservative parties and Mr. Sweezey and his associates which justifies the statements over the signature of Mr. Sweezey himself that the company will secure the whole flow of the river and as a result of which people are being induced to invest in this undertaking. That Frank P. Jones was connected with this company as a director and is now no longer one is established by reference to the returns made by the Beauharnois Light, Heat and Power Company to the Provincial Secretary of the province of Quebec. The figures for the cost of this undertaking were secured from a report made to the corporation by Frederick Bayliss Brown, consulting engineer, and verified by W. S. Lee and T. H. Hogg, two other eminent engineers, and which report is on file with the Minister of Public Works at Ottawa.

Mr. Speaker, I have covered the main points of the statement made in the House of Commons on Thursday last in connection with the Beauharnois project. These sources are official, some of them are over the signature of Mr. Sweezey himself and some in documents which, while not signed by the corporation, are nevertheless authoritative inasmuch as Mr. Sweezey has not repudiated the statements contained therein but rather has confirmed them by other documents over his own signature. Mr. Sweezey cannot deny successfully the truth of these statements. In fact his reported denial is in keeping with his whole disgraceful conduct in connection with this vast project. Deceit and duplicity amounting to fraud mark his every step in the handling of this affair. If Mr. Sweezey, as he says in the article in The Star "scarcely knows where to begin to convince me that I have been led into a silly lot of misstatements" I would suggest that he start at the beginning and tell the whole story of this outrageous affair. He can do this in no better way than to ask the government for a judicial investigation, a request in which no doubt he will be joined by Senators McDougald, Haydon and Raymond. If he does, I shall facilitate him in every way as far as it lies within my power.

I repeat that I was not acting on behalf of any group, nor had I the interests of any individual or group of individuals when I brought this matter before the house originally, or in discussing it to-day. If it were not for the fact that the house desires to prorogue at the earliest possible date, it would be my duty to ask leave to bring Mr. Sweezey before the bar of this house to answer for his wholly unwarranted, false and insulting reference to myself and to the other members who took part in the discussion in the house on Thursday last. The honour of this house has been impunged by Mr. Sweezey and I would respectfully suggest that when the house reassembles at the next session, appropriate proceedings be taken to summons Mr. Sweezey before the bar of this house to answer for his conduct.

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### HALIFAX HARBOUR COMMISSION

Mr. QUINN:

1. What salary is paid to the members of the Halifax Harbour Commission?
2. What are their expense allowances?
3. What salary is paid Superintendent Moriarty?
4. What is his expense allowance?
5. Who recommended him for the position?
6. What position does Malcolm MacKay hold with the commission?
7. What is his salary?
8. What is his expense allowance?
9. What is his age?

Mr. CARDIN:

1. President, $4,000 per annum; two other commissioners, $3,000 each per annum.

2. Actual out-of-pocket travelling or other expenses directly incurred in work of the commission.

3. $2,400 per annum.

4. Actual out-of-pocket travelling or other expenses directly incurred in work of the commission.

5. He was selected by the commission on personal knowledge of his qualifications.

6. The commission's records show no man bearing this name in their employ.

7, 8 and 9. Answered by No. 6.

BOVINE TUBERCULOSIS

Mr LACOMBE:

1. How many cattle were slaughtered on account of being infected with bovine tuberculosis in the county of Laval-Two Mountains?
2. What is the total amount paid as indemnity to owners of cattle so slaughtered in the said county?
3. What is the total amount paid to owners of cattle slaughtered in the province of Quebec by virtue of the Animals Contagious Diseases Act?

Mr MOTHERWELL:

1. 1929-30, Laval, 1,996.
   1929-30, Two Mountains, 48.
2. 1929-30, Laval, $71,579.
   1929-30, Two Mountains, $1,237.
3. 1929-30, $397,536.39.

TEST FOR BOVINE TUBERCULOSIS

Mr. BENOIT:

1. How many cattle reacted to the tuberculin test in the Dominion of Canada during the fiscal year terminating March 31, 1930?
2. How many in each province, respectively?
3. From the amount of $2,450,000 voted in the estimates of 1929, Health of Animals, etc. (Vote No. 45, estimates 1929-30), what indemnity was paid in each province, respectively, to the owners of cattle slaughtered?
4. What was the average amount of indemnity paid for each animal slaughtered: (a) in connection with thoroughbred and registered cattle; (b) in connection with cross cattle?

Mr. MOTHERWELL:

1, 2 and 3

| | Reactors | Indemnity paid |
|---|---|---|
| Prince Edward Island. | 192 | $ 7,179 33 |
| Nova Scotia. | 51 | 3,000 40 |
| New Brunswick. | 24 | 1,260 00 |
| Quebec. | 10,944 | 397,536 39 |
| Ontario. | 3,527 | 162,953 25 |
| Manitoba. | 2,060 | 67,841 16 |
| Saskatchewan. | 345 | 12,832 79 |
| Alberta. | 62 | 2,774 66 |
| British Columbia. | 331 | 14,273 07 |
| | *17,536 | $669,651 05 |

*The total of 17,536 reactors includes 347 slaughtered under the supervised herd plan for which no compensation is paid.

4. Average indemnity paid for pure breds, $77.10; average indemnity paid for cross cattle, $32.58.

HEAD TAX ON EMIGRATION TO UNITED STATES

Mr. BOULANGER:

Does the Canadian government receive any part of the head tax and passport fees charged to Canadians who emigrate to the United States?

[Mr. Cardin.]

Mr. RINFRET: No passport is required by Canadian emigrating to the United States. No part of the head tax or the immigration visa fee, paid to the United States government by Canadians who emigrate to that country, is received by the Canadian government.

PELEE ISLAND CABLES

Mr. GOTT:

What was the cost of: (a) repairing; and (b) maintaining, the Pelee island cables for the years 1927, 1928, 1929 and 1930 to date; (1) Leamington to Pelee island cable; (2) Kingsville to Pelee island cable?

Mr. ELLIOTT:

1.

| | (a) | (b) |
|---|---|---|
| 1927. | $ ..... | $50 |
| 1928. | 868 87 | 50 |
| 1929. | 1,400 11 | 50 |
| 1930 up to April 26. | Nil | Nil |

2.

| | | |
|---|---|---|
| 1927. | $261 15 | $50 |
| 1928. | 643 52 | 50 |
| 1929. | 414 57 | 50 |
| 1930 up to April 26. | Nil | Nil |

DISTRICT VETERINARY INSPECTOR, MONTREAL

Sir GEORGE PERLEY:

1. Who holds the position of district veterinary inspector at Montreal?
2. Is he at present performing the duties?
3. If not, why?
4. Is the salary being paid to him?
5. Does he occupy any other position in the government service?
6. If so, what position?

Mr. MOTHERWELL:

1. Dr. J. O. Langevin.
2. Yes.
3. Answered by No. 2.
4. Yes.
5. No.
6. Answered by No. 5.

HUNTINGDON, QUE., POST OFFICE

Sir GEORGE PERLEY:

1. Has a site been purchased for a post office building in the town of Huntingdon, Quebec?
2. If so, what is the size of the lot and what price was paid?
3. Is it intended to erect the building this year?
4. What is the estimated cost?
5. By whom was the selection of the site made?

Mr. ELLIOTT:

1. No, but negotiations are in progress.
2. Answered by No. 1.

3. If purchase of the site is completed the intention is to proceed with the preparation of plans for the erection of the building.

4. Answered by No. 3.

5. Answered by No. 1.

GRANT TO MANITOBA FOR NATURAL RESOURCES

Mr. SANDERSON:

What amount of money will be paid from the federal treasury to the province of Manitoba on account of subsidies in each fiscal year after the agreement for the transfer of the natural resources comes into effect and until the population reaches: (a) 800,000; (b) 1,200,000; (c) thereafter?

Mr. MACKENZIE KING:

Total annual payment on account of subsidies:

1. On basis of present population, $1,662,-084.18.

2. When population reaches 800,000, $1,991,-584.18.

3. When population reaches 1,200,000, $2,686,-584.18.

The total will vary in intervening years due to changes in population.

GRANT TO ALBERTA FOR NATURAL RESOURCES

Mr. SANDERSON:

What amount of money will be paid from the federal treasury to the province of Alberta on account of subsidies in each fiscal year after the agreement for the transfer of the natural resources comes into effect and until the population reaches: (a) 800,000; (b) 1,200,000; (c) thereafter?

Mr. MACKENZIE KING:

Total annual payment on account of subsidies:

1. On basis of present population, $1,670,-435.

2. When population reaches 800,000, $2,015,-375.

3. When population reaches 1,200,000, $2,710,-375.

The total will vary in intervening years due to changes in population.

GRANT TO SASKATCHEWAN FOR NATURAL RESOURCES

Mr. SANDERSON:

What amount of money will be paid from the federal treasury to the province of Saskatchewan on account of subsidies in each fiscal year after the agreement for the transfer of the natural resources comes into effect and until the population reaches: (a) 1,200,000; (b) thereafter?

Mr. MACKENZIE KING:

Total annual payment on account of subsidies:

1. On basis of present population (859,900), $2,063,295.

2. When population reaches 1,200,000, $2,710,-375.

The total will vary in intervening years due to changes in population.

GRANT TO BRITISH COLUMBIA FOR TRANSFER OF RAILWAY BELT

Mr. SANDERSON:

What amount of money will be paid from the federal treasury to the province of British Columbia on account of subsidies in each fiscal year after the agreement for the transfer of the railway belt and the Peace River block comes into effect?

Mr. MACKENZIE KING: On basis of present population, $738,816.66. As population increases, the amount paid in respect of per capita grant will increase. The grant for government and legislation also will increase from $190,0000 to $220,000 when population exceeds 800,000, and to $240,000 when population exceeds 1,500,000.

## IMMIGRATION INTO PALESTINE

On the orders of the day:

Mr. S. W. JACOBS (Cartier): I would like to ask the Prime Minister a question in his capacity of Minister of External Affairs:

In view of the fact that Canada is a member of the council of the League of Nations and a signatory to the treaty of Versailles, and that the mandate over Palestine was conferred on Great Britain to be exercised as a trust under the supervision of the League of Nations, was the government of Canada consulted with regard to the recent stoppage of immigration into Palestine, or has this government taken steps to inquire into the causes of such action on the part of the government of Great Britain, or, if not, will it undertake to do so?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to acquaint me with the fact that he was going to ask this question, and I am prepared at this time to answer it.

Under the rules laid down by the League of Nations for the regulation of mandated territories it is not customary for the mandatory power to bring any question of administration before the council or before individual members of the council, and the question referred to, the restriction of immigration into Palestine, has accordingly not been brought to the

attention of the Canadian government. Provision is made for periodic review of the administration of the mandatory power by the organ of the league, the Mandates Commission, before which this question will doubtless come in due course.

## "PATRONAGE" SOUTH ESSEX

On the orders of the day:

Mr. E. C. GOTT (Essex): The Prime Minister does not always answer his questions so fully as he has answered the present one. I had a question on the order paper the other day concerning patronage in South Essex, and the right hon. gentleman did not give it such full consideration.

## INQUIRIES FOR RETURNS

### MABOU HARBOUR

On the orders of the day:

Mr. I. D. MACDOUGALL (Inverness): I would like to ask the Minister of Public Works (Mr. Elliott) when I may expect a return which I asked for in connection with dredging at Mabou harbour.

Hon. J. C. ELLIOTT (Minister of Public Works): In reply to my hon. friend may I say that I think the return is now ready; I may be able to table it to-day.

Mr. MACDOUGALL: I would like to have it.

### FISHWAYS IN DAMS

Hon. W. A. BLACK (Halifax): May I ask the Minister of Marine and Fisheries (Mr. Cardin) when I may expect an answer to an order for a return which was placed on the order paper on May 5th? On Saturday, May 24th, I called the attention of the minister to the fact that an answer had not yet been given.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The report has been sent to the Department of the Secretary of State.

## CHINESE EMPLOYED ON BESCO SHIPS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would ask the Acting Minister of Immigration (Mr Stewart, Edmonton) to make a statement in regard to the fact that it is rumoured that Chinese are being employed in the coal carrying vessels running between Montreal and Sydney.

[Mr. Mackenzie King.]

Hon. CHARLES STEWART (Acting Minister of Immigration): I have not received an answer to my investigation, but I shall answer the question of the hon. gentleman as soon as I can.

## SPECIAL WAR REVENUE ACT

Hon. CHARLES A. DUNNING (Minister of Finance) moved that Bill No. 311, to amend the Special War Revenue Act, do now pass and that the title be as on the order paper.

Hon. R. B. BENNETT: Will the hon. gentleman supply me with the information for which I asked?

Hon. W. D. EULER (Minister of National Revenue): My hon. friend asked for certain information regarding a legal action brought by the department against the brokerage firm of Miller, Court and Company of the city of Vancouver. Action was brought by the department on account of a denial by the firm in question of the constitutionality of the law under which they were taxed in connection with transfer taxes. The action was tried before the senior magistrate and judgment was given in favour of the department, and a fine of $100 imposed. No mention was made of costs. An appeal was entered, and it was tried before the supreme court of British Columbia, and on that appeal the finding of the magistrate was sustained. Again no mention was made of costs.

Motion agreed to.

## DOMINION ELECTIONS ACT

Hon. LUCIEN CANNON (Solicitor General) moved the third reading of Bill No. 309, to amend the Dominion Elections Act.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I move in amendment that section 9 of the said act be repealed. I may say that this section relates to contributions for political purposes, and is as follows:

> No unincorported company or association and no incorporated company or association other than one incorporated for political purposes alone shall, directly or indirectly, contribute, loan, advance, pay, or promise or offer to pay any money or its equivalent to, or for, or in aid of, any candidate at an election, or to or for, or in aid of, any political party, committee or association, or to or for, or in aid of, any company incorporated for political purposes, or to, or for, or in furtherance of, any political purpose whatever, or for the indemnification or reimbursement of any person for moneys so used.

Subsection 2 of that section deals with the officers liable to punishment for violation of the above subsection. Last year the committee dealing with this matter made the recommendation that this section be repealed. Section 4 of the report brought in on Wednesday, June 5, 1929, according to the votes and proceedings, contains the recommendation that the said act be amended by repealing section 9 thereof. As I understand the matter, when the committee met this year there were some matters that were not dealt with which were in the recommendation of last year, this being one of them.

Let me say, Mr. Speaker, that for some years labour bodies all over this country have protested against this section. It is quite easy for great corporations to hide their contributions to campaign funds, and undoubtedly great corporations do contribute to campaign funds in spite of this section. However, this section works a very great hardship on the labour movement in Canada in that it effectively prevents any labour union from contributing to campaign funds. We do not believe this is fair. When the trades unions undertake to contribute to campaign funds, using their money for this purpose in a perfectly open way, it seems only right that they should be permitted to do so.

I think a great many members on both sides of the house will realize the justice of such action as I am proposing. Several years ago we had this matter before the house as an amendment, and the amendment to repeal this section received a very great deal of support in the house. I do not wish to precipitate a debate at this time, but I would hope that in view of the fact that the whole question has been considered several times by this house, and further that it was recommended last year by the committee, the house might accept my amendment to-day.

Mr. CANNON: Mr. Speaker, as was said last night by the chairman of the committee, the hon. member for Quebec South (Mr. Power), this amendment was recommended to the house last year in the fifth report of the committee. This year, in view of special circumstances, the committee agreed that the amendments which were contained in that report were not to be pressed this year, and that only the amendments which were necessary and required to meet the conditions of the coming election would be brought down. That was agreed upon, and the legislation was introduced by the government along the lines of the report unanimously brought in.

As my hon. friend has said, this amendment was recommended by the committee last year. I have no objection to the amendment, except that perhaps the members of the committee would rather have the matter referred back, which would involve some delay.

Mr. WOODSWORTH: May I just say that the Labour group in the house as such was not of sufficient strength to have its own representative on the committee. We could not make any direct representations, but this is a matter which affects us in this immediate election just as much as some other matters which were before the committee, and if the chairman of the committee has no strenuous objection it would seem to me the most direct way to let the amendment go through now without referring the matter back.

Mr. C. G. POWER (Quebec South): I may say this, that as chairman of the committee I have no greater authority than any other member of the committee. I presume in this house to be only the spokesman for the committee, and my duty is to lay before the house, in case a question comes up, what were the views of the committee on matters which were brought before it.

In this particular instance, last year in the report it was decided to abrogate section 9 of the Dominion Elections Act. The report was laid on the table here, and it was decided not to act upon it during the course of last session. During the course of this session a great deal of time was taken up by discussion of other matters. At the last meeting the general committee came to the conclusion that it was not expedient at this session of parliament to consider even the amendments which had been adopted last year, so that no debate or discussion took place on the particular suggestion of my hon. friend.

May I say that in the committee of 1929 there was considerable discussion just on this very point, and I might go further and say that some of the members who at one time or another have been most emphatic in their condemnation of this section were not quite so sure last year that it should be taken from the act. In fact, though it was incorporated in the report, it was not by any means the definite conclusion of the committee that this section should be taken out. I am going to give my own personal opinion, which is that had the members of the committee been perfectly sure that legislation was to be enacted in the sense of taking section 9 out of the act at the last session of parliament, there would

have been very much more difficulty in having such a suggestion placed in the report. The very persons, as I said before, who have discussed this matter most frequently, are not quite sure that the repeal will save the purpose which they intended it should serve.

Under the circumstances, though I personally have not the slightest objection nor do I know that any member of the committee has any objection, I believe that unless the matter is further discussed and further studied it would be well for us not to take any action upon this suggestion during this session

Mr. D. F. KELLNER (Athabaska): Mr. Speaker, my recollection is that there were amendments moved to that section last year in committee but that the amendments were struck out. I do not think there is any doubt in the world that the committee, after careful consideration, thought this section should be removed from the act This session, unfortunately, we never reached the amendment. If it is going to materially affect the time when the election shall be held or anything like that it might be all right to leave it, but if it can be struck out and if there is no objection from the other members—and I doubt very much if there is—we might very well indeed strike out this section.

Mr. POWER: If the hon. member is asking for my personal opinion, I am absolutely of opinion that it should be struck out, but I am not now speaking for the members of the committee when I say that.

Mr. CANNON: I have no objection to the amendment.

Mr. SPEAKER: The amendment should be redrafted.

Mr. BENNETT: The bill will have to be recommitted.

Mr. WOODSWORTH: I understand the Solicitor General accepts this amendment?

Mr. SPEAKER: Yes, but the Solicitor General would not violate the standing orders of the house.

Mr. CANNON: I have no objection to the amendment provided it is adopted in accordance with the rules of the house.

Mr. SPEAKER: The bill should be ordered to be reported back to the committee and there to be amended in the way suggested by the hon. member. Shall I draft the amendment accordingly? It is moved by Mr. Woodsworth, seconded by Mr. Heaps, that the said bill be not now read a third time but be referred back to the committee of the whole with instructions to add a clause providing for the repeal of section 9 of the Dominion Elections Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

The CHAIRMAN: Mr. Woodsworth moves that section 9 of the Dominion Elections Act be repealed as a new clause to Bill No. 309. Shall the amendment carry?

Amendment agreed to.

Bill reported, read the third time and passed.

## INCOME WAR TAX ACT

Hon. CHARLES A. DUNUNING (Minister of Finance) moved that the house go into committee on Bill No. 310, to amend the Income War Tax Act.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

Mr. BENNETT: There was one clause regarding charities which was allowed to stand.

Mr. EULER: Subsection (j) of section 3 was allowed to stand in order that some decision might be arrived at to widen the exemptions from income tax. The government felt at the time that the exemptions allowed for donations to schools, hospitals, universities and churches went far enough, but during the discussion we realized that there was a great deal to be said for the arguments advanced that this clause might be broadened out in so far as the federated charities, the Red Cross and other organizations were concerned, and we decided that it would be desirable that this clause should be broadened out to that extent. We did not feel that there could be included in this clause definite reference to such organizations as the federated charities and the Red Cross, because we knew that protests would be coming in such as were presented yesterday. In casting about for some phrase which would make this clause as broad as possible, we decided on the phrase "charitable organization," and I propose to move the following amendment:

That section 3 (j) be amended by striking out the words "any church, university, college, school or hospital" in lines 24 and 25, and substituting therefor the words "any charitable organization."

Objections might be raised that the words "charitable organization" would not cover such institutions as churches, universities, schools and so on but I think the hon. leader of the

opposition is familiar with Halsbury's Laws of England in which Charities are discussed as follows:

Only those purposes are charitable in the eye of the law which are of a public nature, whose object, that is to say, is to benefit the community or some part of it, not merely particular individuals pointed out by the donor.

Accordingly gifts which are directed to the abstract purposes of relieving poverty, advancing education or religion, are charitable.

A bequest for the relief of such poor persons as the testator's trustees may choose is charitable, but not where the choice is to be made from a number of named individuals.

"Charity" in its legal sense comprises four pricipal divisions: trusts for the relief of poverty, trusts for the advancement of education, trusts for the advancement of religion, and trusts for other purposes beneficial to the community not falling under any of the preceding heads. Within one of these divisions all charities to be administered by the court must fall, though every object which might be brought within one of them is not necessarily a charity.

I submit that this phrase embraces every organization of this kind. The section will then read as follows:

not more than ten per centum of the net taxable income of any taxpayer which has been actually paid by way of donation within the taxation period to, and receipted for as such by any charitable organization in Canada operated exclusively as such and not operated for the benefit or private gain or profit of any person, member or shareholder thereof.

Mr. BENNETT: I desire to congratulate the hon. minister upon having introduced this amendment. I had an opportunity of looking into the authorities after the sitting of last evening and I am satisfied that the term "charitable organization" covers every species of benevolence that any citizen of Canada may desire to indulge in. The limitation not to exceed 10 per cent of the taxable income protects the government and enables the broadest field of choice to the individual who may desire to utilize 10 per cent of his earnings for the benefit of charitable purposes. In fact, the word " charitable" is so broad that there is no field of human endeavour which he may desire to assist that is not open to him.

Mr. EULER: This is going to give us a lot of work.

Mr. BENNETT: I think not.

Amendment agreed to.

Mr. CAHAN: Before the bill passes, I do not presume to request an amendment to clause 3, but I should like to direct the attention of the minister to a fact that should, I think, call for an amendment at some future time. I am not referring to my own particular circumstances, although I have two families of grandchildren dependent upon me. But it has come to my notice that there is a very considerable number of cases in which the father of a family has been killed in the war or has died on account of wounds suffered during the war, and as a result the grandparent has been called upon to provide for young and growing families. Under those circumstances I think the grandparent is equally entitled to and should be allowed the same exemption of $500 as is allowed in the case of an individual who is supporting a parent, grandparent, brother or sister incapable of self-support on account of mental or physical infirmity I know of some other cases, in which, owing to war service, young men have become not only physically but mentally incapacitated and where the pension tendered in such case by the pension board is utterly inadequate to provide properly for their children's care. I think there should be some exemption when a grand-parent is called upon to make provision for grandchildren who are suffering under such circumstances.

Mr. EULER: I should like to congratulate my hon friend upon not pressing the matter at this time. Further consideration may be given to it on another occasion when the act is being amended.

Section 3 as amended agreed to.

Bill reported, read the third time and passed.

## CUSTOMS TARIFF AMENDMENT

Hon. C. A. DUNNING (Minister of Finance) moved that the house go into committee on Bill No 345, to amend the customs tariff.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

The CHAIRMAN: I find the bill is not yet ready.

Progress reported.

## BOUNTY ON COAL

Hon. CHARLES A. DUNNING (Minister of Finance) moved the second reading of Bill No. 312, to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal.

Mr. FINLAY MacDONALD (Cape Breton South): Mr. Speaker, before the motion for the second reading of this bill is passed, I desire to say a few words in regard to it along the lines of my remarks when the resolution was before the house. I do not intend, however, to repeat what I said at

that time. I may point out now that the bill as introduced is somewhat different from the resolution and no doubt clause 2 of the bill was introduced for the purpose of defeating the amendment that I moved when the resolution was before the house. As hon. members are aware, the bill provides for the payment of a bonus to the steel company of fifty cents a ton on every ton of coal used in the manufacture of steel. The object of my amendment was that the money so paid to the company should find its way into the wage envelopes of the workmen. Clause 2 of the bill was evidently framed for the purpose of defeating that amendment. It is nothing more nor less than camouflage. It is in exactly the same position as the coke oven legislation which was introduced by the government some two or three years ago and which was held out by the government as tending to implement the recommendations of the Dnucan report regarding the establishment of coking plants in different parts of Canada. Clause 2 means shortly that the company will receive the money and may do with it what it pleases. If there is a law in the province of Nova Scotia and the company does not comply with it, then this government may withhold the payment of the bounty. Now there is no eight hour law in the province of Nova Scotia. Hon. members of this house attach great importance to this eight hour law. I may say that for the men employed in the steel works at Sydney it is not a question of eight hours or twelve hours a day, but it is a question of getting some hours of work. When I was speaking on the resolution I pointed out that hundreds of men had been thrown out of employment, and that others had been given only two or three days' work a week. I gave as an illustration one man who in the past four months had earned only $144. Let this money go into the wage envelopes of the men. Put on a restriction, if you want to, about eight hours, and give them extra pay for extra time; but do not let us try and shield ourselves behind the province passing an eight hour law or any other kind of law.

Has anybody ever considered what the effect of a province passing an eight hour law would be? If Nova Scotia passed an eight hour law covering the industries of the province, say the boot and shoe industry, what would happen? The result would be that that industry would immediately pull out of Nova Scotia and go to some other province where there was no foolish law of that kind. You cannot pass legislation that is going to go up against the economic laws.

[Mr. Finlay MacDonald.]

I may say for the information of hon. gentlemen in the corner to my left that there is a great body of the men employed in the steel works at Sydney who are in favour of protection. It is true that there is a number of them who are discouraged and disheartened, men who have spent twenty-five years of their lives in the employment of that company and who now find themselves no better off than they were when they began. It is only natural to expect in such cases that these ment would be quite content to take desperate chances on ditching the company by denying them any protection at all.

Hon. gentlemen in that corner pretend to be free traders. Let me ask what pressure a free trade government could bring to bear on an industry such as the steel industry at Sydney to give their workmen any increase in wages or shorter hours. The only pressure that you can bring to bear on them is the pressure that arises from the protection that you give them. I quite appreciate the fact referred to by the Prime Minister that difficulty would arise in trying to put any such provision in the tariff as was advocated by the hon. member for Winnipeg North Centre (Mr. Woodsworth). But there is no such difficulty with regard to this bonus. This is money that is going out of the federal treasury into the hands of the company, and there would be no difficulty in attaching to it a provision that that money should go to the benefit of the wage earners.

I may say that we had hoped to get a great deal of assistance from this bounty on coal. It is calculated that between four and five tons of coal would go to make a ton of steel, which would mean a bounty of $2 to $2.50 on every ton of steel.

Mr. SPEAKER: If the hon. gentleman would allow me to interrupt him, I understand that he is going to conclude his speech with an amendment. I think I know the nature of his amendment. It is with respect to attaching a provision to the bounty. That amendment would not be in order on the second reading, but it would be in order to move it on the committee stage of the bill. Perhaps the hon. gentleman would allow the second reading to go through and then move his amendment in committee.

Mr. MacDONALD (Cape Breton South): I have no objection to that, Mr. Speaker.

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

On section 1—Adjustment to facilitate further development of native iron and steel industry.

Mr. MacDONALD (Cape Breton South): As I was saying, Mr. Chairman, we had hoped that a bounty of 50 cents a ton on coal would mean a bounty of $2 to $2.50 on every ton of steel. But, according to the statement made by the hon. member for Pictou (Mr. Cantley) the other night, that under this bill there would be only a certain amount of coal used in the primary operations, which will not carry through to the point where steel is manufactured, instead of receiving a bonus of $2 to $2.50 a ton on steel we shall receive, according to his calculation only between 70 and 80 cents a ton. If that is going to be the result, and in my opinion the hon. member for Pictou knows more about this question than the tariff board and all the experts they have ever employed, then I say it is going to be a great disappointment for those of us in the maritime provinces who have been fighting this fight for the last three or four years. I do not wish to take up any more time, and therefore, I move that section 2 be struck out and—

Mr. DUNNING: We are not yet on section 2.

Mr. CAHAN: Before that section carries I should like to ask the Minister of Finance exactly what interpretation is to be placed upon these words:

—the governor in council may authorize the payment out of the consolidated revenue fund to manufacturers of iron or steel, of forty-nine and one-half cents per ton of bituminous coal mined in Canada and converted into coke by a proprietor of coke ovens at his coke ovens in Canada, and used by such manufacturers in the smelting in Canada of iron from ore or in the manufacture in Canada of steel ingots or steel castings. No such payment shall be made more than once in respect of any coal so used.

I understood the Prime Minister, I think it was, last evening to state that this section was intended to implement to the full the report of the commission which sat and considered maritime province claims. I have not before me the report of the Duncan commission, but I remember its words quite well, and I understood from that report that all coal used in the manufacture of iron and steel should receive a sort of differential bounty, if I may call it that. I listened later to the statements of the hon. member from Pictou (Mr. Cantley) to the effect that these words exclude from the so-called bounty all coal which was really used in the manufacture of iron and steel except that smaller portion of the coal which was converted into coke; that the coal used in all the other processes of the manufacture of iron and steel was excluded from the so-called bounty of forty-nine and a half cents per ton Now, what is the minister's understanding? Is this bounty to apply only to coal which is to be converted into coke?

Mr. DUNNING: Wholly that.

Mr. CAHAN: I think that is the clear expression of the clause; but I understood from the statement made by the right hon. Prime Minister that this was to implement the Duncan report, and certainly it does not.

Mr. DUNNING: Oh, yes.

Mr. CAHAN: I have not the report before me—

Mr. DUNNING: I have the report and I will read it:

We were asked to recommend that a bounty should be again made available. In this connection we have thought it right to give consideration to a point which was emphasized in the course of the evidence, viz:—that a drawback of 99 per cent of the duty is given when imported coal is used for metallurgical purposes, and that this is tantamount to giving a bonus of that amount, since it means that the Dominion is yielding up money which otherwise under its general policy in regard to bituminous coal would accrue to it. While there are, no doubt, other angles from which this concession can be regarded, it does in its operation have the effect of a bonus, and it is difficult to see how the same bonus can be denied to native coal.

Having regard to the bounty system previously applied, and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

This bill places native coal in exactly the position of coal which is imported and on which a drawback is paid only when it is converted into coke.

Mr. CAHAN: I followed the hon. minister as carefully as I could. Is the drawback given at present upon every ton of coal used in the manufacture of iron or steel, or is it given upon every ton of coal used solely and exclusively for the purpose of producing coke?

Mr. DUNNING: I will read the drawback item.

Mr. CAHAN: I would rather have your expression of opinion.

Mr. DUNNING: This is the drawback item:

Bituminous coal when imported by proprietors of coke ovens and converted at their coke ovens into coke for use in the smelting of metals from ores and in the melting of metals.

It is confined to the coking process.

Mr. CAHAN: But is it?

Mr. DUNNING: I assure my hon. friend that in practice it is.

Mr. CAHAN: I would like to have the opinion, for instance, of the hon. member for Pictou, who I know for many years has been interested in this manufacture. But coke alone is not used in the processes of manufacture, is it? I am a perfect novice in these matters, but I have been so many times in those steel works and seen coal used in the manufacture of gas and other ancillary processes. Do I understand the minister to say that the Hamilton Steel Works, for instance, which receives a drawback, receives it only in respect of coal imported to be converted into coke?

Mr. DUNNING: That is quite right.

Mr. SIMPSON: That applies to the Algoma Steel Corporation too.

Mr. CAHAN: That clears up the misunderstanding in my mind.

Mr. DUNNING: I assure my hon. friend that only the coal imported which is converted into coke and used as coke in smelting is, to coin a word, "drawbackable."

Mr. CAHAN: I thank the minister for the explanation, I did not so understand it.

Section agreed to.

On section 2—Restriction.

Mr. MacDONALD (Cape Breton South): Has any estimate been made as to what the amount of this bonus would be per ton of steel?

Mr. DUNNING: On the basis of their normal output we calculate about $360,000.

Mr. MacDONALD (Cape Breton South): That is very gratifying indeed. I propose that the following be added to section 2:

and money so paid or a portion thereof shall be devoted to the improvement of the condition of the men employed in such plants, either by way of increased wages or shorter hours or both.

Mr. RALSTON: Mr. Chairman, I should like to say a word or two in connection with this subject. At this late stage of the session I shall be very brief. I have listened to two debates on the question of steel bounties and assistance to the steel industry and I do not propose to traverse the ground already covered. I can say at once that I have every sympathy in the world and I agree fully with the remarks which have been made with regard to the men working eleven and thirteen hours in the steel plants. I do not think I can over emphasize that point. What we are considering is the practical situation which is facing this parliament. May I say that for the last three years I have been intensely interested in this subject, and I think my colleagues will bear me out when I say that I have not permitted them to lose sight of the fact that the steel industry of Sydney is a matter worthy of consideration, and I have endeavoured to bring that fact to the attention of the government on every possible occasion. With other members of the house I have realized the difficulties, first with regard to litigation which prevailed, secondly with regard to the situation of the company respecting the over capitalization and the unwieldly organization composed of the large number of companies which were grouped together, some fourteen in number, with a capitalization of over $100,000,000, a matter which seemed to me ought to be straightened out, and thirdly with regard to the fact that the whole matter was before the tariff board. Hon. gentlemen will remember that we are not simply dealing with the question of a straight bounty; we are dealing with something which will compensate for a rebate of duty. Duties have to do particularly with the tariff board, and the whole question had to be considered by the tariff board in the light of the application which was being made regarding the tariff on steel and coal. Those matters have been before the board and no one is more pleased than I that the Minister of Finance has been able to bring in a bill to-day in order to carry out the recommendations contained in the Duncan report. I feel sure the explanation given by the Minister of Finance will be sufficient for hon. members of this house who have questioned whether or not this bill carries out the recommendations contained in the report. The present bill does for the steel industry of Sydney exactly what section 1019 of the tariff act does for the steel industry of upper Canada, namely, it pays to the steel industry of Sydney a bonus of 49½ cents per ton for every ton of coal used for coking purposes, and afterwards used for the production of iron and steel. On the other hand the tariff act pays a rebate of 49½ cents per ton on coal brought into Canada and used for exactly the same purposes.

Let me say to the committee that this measure has been urged by everybody in Sydney who could be interested in the matter. It has been urged by hon. members on the other side of the house. As I have said before it has been urged by me, and I have

repeatedly discussed the matter. It has been urged not simply by those who are in public life but by the associated boards of trade of Cape Breton. I have in my hand a resolution passed by them asking that these recommendations of the Duncan report be carried out; they do not suggest any conditions, nor do they suggest that there should be any restrictions, but they simply ask that the provisions of the Duncan report be put into effect. A year ago I had the pleasure of being present when a delegation was received from Cape Breton. Dr. Coady acted as chief spokesman, and the delegation consisted of men holding different political views and representing various public interests in Cape Breton. That delegation asked that these recommendations be carried out. In addition to that I have had similar representations on behalf of the miners themselves through their president, Mr. D. W. Morrison. I have had representations from the three thousand steel workers asking that this report be carried out, that the tariff recommendations be carried out and that the suggested bonus be carried into effect. In not one single instance has there been a suggestion of a condition being applied in regard to wages or hours of labour.

I had been convinced, and I think other hon. members also had been convinced, that the iron and steel industry might be on the verge of disaster; it was said the industry was going to languish and decline. Those expressions have been used in this house on more than one occasion. That there was danger of collapse of that industry; people were not making large profits, but on the other hand there was the possibility that the whole industry would close down. The object I had in view was to try to help save the iron and steel industry of Nova Scotia. On this occasion we are trying to do that, and we are using this bill to effect that end. As pointed out by the leader of the opposition last night this steel industry has been in the hands of the receivers for the last four years. There has been talk about the profits which have been made; someone mentioned a surplus amounting to about $2,000,000. We must remember however that that $2,000,000 was met by a deficit of about $1,700,000, and leaving a net surplus for the British Empire Steel Corporation, from the time of its organization until the end of last year, of something like $300,000. That is not the type of concern in connection with which it could be said that we are bonusing for the purpose of putting money into the pockets of the shareholders. The object of this government is to try to put money into the pockets of the workers. The people who will benefit by the assistance given to the industry will not be the shareholders or the bondholders, but the men who are working in the industry. That is the result which we have been trying to attain. During the last three or four weeks the company has completed a reorganization. As one particularly interested in the province of Nova Scotia and interested in the iron and steel industry I have scanned as carefully as I possibly could the reorganization proposals which have been published in the newspapers. If hon. members will take the trouble to investigate they will find that several companies with a combined capitalization of something like $100,000,000 have been dealt with so that their capitalization is reduced to about $21,000,000. On the balance sheet the properties are shown at cost at something like $130,000,000. I do not think we can say there has been a very large payment so far as the shareholders are concerned; the bond interest has not been paid for the last four years.

Mr. BENNETT: It was paid last year.

Mr. RALSTON: On the two junior issues of bonds there has been no interest paid for the last four years. I am referring to bond interest and not to dividends on shares. That is a résumé of the condition of the industry we are trying to help to-day.

As to labour conditions and the statements in regard thereto I wish to congratulate my hon. friend from North Winnipeg (Mr. Heaps) and his colleague from Winnipeg North Centre (Mr. Woodsworth) in calling the attention of the house to this matter. The remarks of these hon. gentlemen have served to focus the attention of the Canadian people on this matter of labour conditions. I say that these hon. members have done a great service to labour, and in bringing the matter to attention they have done a service to this house. I am not sure my hon. friend from South Cape Breton (Mr. MacDonald), for whom I have the greatest friendliness, can be credited with exactly the same disinterested motives. My hon. friend was good enough to give the government the benefit of his confidence and the benefit of his vote in connection with the budget. I am not so sure the hon. gentleman was prompted by his love for the government, or by the fact that he loved more his seat down in Nova Scotia. He may have been prompted by both motives, however.

I have listened to the debate in connection with this labour question, and I have decided that it has not been an argument in favour of the labouring man so much as it has been a debate between two schools of thought, one

protectionist and the other free trade. I am not concerned with protection or free trade in the abstract in connection with this debate. On the contrary I am more interested in trying to help this industry and to assist the men engaged therein. I would be very much afraid that the labouring men would be crushed between the upper and nether millstones of those who are talking about free trade on the one hand and protection on the other. The workingman would be forgotten entirely if some of us did not try to stick to the real issue, and the real issue in this particular case is the bill before the house which has for its object the placing of the steel industry on its feet. I want to say to my hon. friends from Winnipeg North Centre and North Winnipeg that since the report to which they referred was made there have been some improvements in regard to the hours of labour. I understand that the mills have come down to ten hours. That may be far too much, but at least there has been some improvement. The continuous operations to which my hon. friends referred, as the hon. leader of the opposition said last night, are still continuing at eleven and thirteen hours, and I agree that such a condition is not good for an industry or good for a country. My hon. friends cannot speak any more strongly on that point than I can, but the question is what to do.

It seems to me that this brings us really to our function in this house. My hon. friend from South Cape Breton, in his second attempt—a rather shrewd attempt and perhaps good politics—sought to focus the attention of the men on himself by moving a rather specious amendment to this bill. What was the amendment? It was that the whole or a portion of this money should be applied for the purpose of improving the condition of the men. That does not mean anything at all; it is simply eye-wash. The whole or any portion of it means that you could spend five cents, or you could paint some workman's house, and get away with it.

Some hon. MEMBERS: No, not five cents.

Mr. RALSTON: The slightest assistance in the world would be enough to comply with this resolution, and my hon. friend would walk out and claim that he had done something for the labouring men of Cape Breton. Let me say to him that I do not believe this kind of resolution means anything except that it means he is going to endeavour to be the champion of the labouring men down there if he can, but I believe that what the labouring men want is some real asistance to this industry in order to put it on its feet. I have under my hand the resolutions to which I have referred, and just the other day, since this discussion came up, I received a telegram which I am going to place on Hansard. It is from exactly the same men, and headed in exactly the same way as the telegram which my hon. friend read two years ago from the steel people of Sydney, that is, the representatives of 3,000 men. It is as follows:

At a regular meeting of the general works committee, employees representative plan, Dominion Iron and Steel Company, representing over three thousand steel workers in session this afternoon unanimously decided on the following resolution: We the representatives of the employees of the Dominion Iron and Steel Company Limited do hereby recommend that the budget as handed down be approved without further amendment regarding bonus on coal and tariff on steel. We have confidence in the management to the extent that they will as soon as conditions warrant instal the eight hour day.

That telegram is dated May 22, and it followed the telegrams and letters which I have received from time to time as indicating the attitude of the men down there. I do not question my hon. friend's knowledge of local conditions; they are far better than mine, but if he knows anything at all he knows that men are walking the streets of Sydney to-day and that the first thing to do is to get them employment. That is what this bill is intended to do.

Mr. HEAPS: May I ask by whom that telegram was signed?

Mr. RALSTON: Yes. It is signed by P. W. McDougall, secretary of the employees' representative plan.

At one o'clock the committee took recess.

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The committee resumed at three o'clock.

The CHAIRMAN: When the committee rose at one o'clock we were discussing Bill No. 312.

Mr. RALSTON: Mr. Chairman, I was speaking with regard to the provisions of this bill as they concern assistance to be given to the steel industry. The hon. member for South Cape Breton (Mr. MacDonald) understands the conditions which exist down there, and, as I said before, there is considerable unemployment in that particular section. We are trying to put this industry on its feet and thus relieve some of this unemployment. Some 250 men are employed in the open hearth furnaces, but they are working only about 3½ days per week. We feel that that situation should be remedied if at all possible.

I submit that we cannot pass special legislation in respect to one particular industry. Let me remind my hon. friends just what this bill is. The steel industries of central Canada —I group them together—receive a rebate on account of duty which has been levied on coal used in their plants. This bill on the other hand provides that an amount shall be paid to those industries which use Canadian coal. I find that in the customs tariff there are no less than 50 to 55 items in respect of which drawbacks are paid, and after all this provision is simply a drawback in another form. With this industry in its present condition, this is not the time to propose a principle which if applied at all should be considered in connection with every one of the 55 items, and every one of the 55 concerns represented by those items. This is exactly the same principle which was enunciated with regard to the tariff. I do not think it is fair to single out one particular industry because it happens to be receiving now what other industries have been receiving right along. So I say to my hon. friends that from the point of view of fairness to the industry, and outside of the question of the position in which it finds itself, I do not believe that this is the proper thing to do.

What we have suggested, and what I believe will appeal to hon. members of this house, is this: If, under the circumstances, the province which possesses the jurisdiction considers that some provision should be passed, not with respect to one particular industry but with respect to all, regarding the hours of labour or the rates of wages, then this government will assist the provincial government in enforcing that law. The law must be made, not by this parliament but by the provincial legislature, and that is the reason for the provision contained in the bill which has been referred to by the hon. member for South Cape Breton as being camouflage. I submit that it is not camouflage, it is a serious effort to put the power of this parliament behind the enforcement of provincial legislation. As has been said repeatedly in this house, the function of the federal authorities will be to pay out the money not to make the law regarding labour, but we will say: If you infringe the laws of the jurisdiction which has the power to make those laws, then in addition to whatever penalty you incur from that infringement we will impose the additional penalty of withholding this bounty.

Reference has been made to the labour conditions in this particular community, and since that time the manager of the company, Mr. Kelley, has made a statement which appears in the Sydney Post of May 23, reading as follows:—

> The workmen know that we are behind the eight-hour day move at the steel plant and we have told them that we intend to install that system as soon as practicable. That is, the ten- and eight-hour day or eight-hour shifts for those whose departments are kept in continuous 24-hour operation, and 10 hours in the service departments which are not kept going continuously. At present we are operating the plant on the 10- and 12-hour day system, and it has been our intention for some time past to remedy this condition as soon as conditions improve.
>
> The plant has been through a hard period, and the company have spent considerable in trying to build it up to its proper efficiency. When that is accomplished the eight-hour day will be established.
>
> The coal bounty, while not as great as might be expected, will help towards bringing about conditions we are anxious to have at the local plant, and we are very thankful for what we have got. It is at least a move in the right direction.

This is a very important industry to the province of Nova Scotia. I believe that hon. gentlemen sometimes feel that this is an industry situated away down in one end of the Dominion and having to do only with that community. I want the committee to realize that the combined coal and steel industry employs something like 20,000 men; that nearly one-fifth of the population of Nova Scotia is interested directly or indirectly in connection with that industry; that it purchases something like $60,000,000 worth of goods; that it pays out in wages something like $23,000,000; that it pays in Nova Scotia more than 50 per cent of the workmen's compensation assessments being paid in that province. Therefore the prosperity of the steel and coal industry means a great deal for the prosperity of the province. The assistance in the form in which it is granted means assistance not only for the steel industry but for the coal industry as well, because the steel industry uses about one-quarter of the production of the coal mines at Cape Breton, with the result that when you pay a bounty based on coal used for the purpose of making iron and steel, you are giving a very substantial benefit to the coal industry itself.

Let me say one thing more. As regards my hon. friend opposite voting for and supporting the budget, I can quite understand his action when we look over the record of the government with regard to the coal and steel industry in Nova Scotia, and when we see exactly who it is that has done anything to assist that industry. Let me remind my hon. friend of what has been said before, namely, that the

first real assistance to the industry was given in 1897 by a system of bounties which was then put into vogue and which has continued until 1910. Let me remind my hon. friends also that the revision of the tariff in respect of steel, the great revision prior to this one, was in 1907 under a Liberal government. Let me remind them also that slack coal was paying a duty of something like fifteen cents a ton and that it was not a Conservative government, but a Liberal government, which increased that duty to fifty cents a ton because the tariff item regarding slack coal was being used as subterfuge to bring in United States coal and affect the market for Canadian screened coal.

Mr. BENNETT: How many rebates were thereupon granted?

Mr. RALSTON: I can remember only one. Under tariff item 1049 one of the rebates was granted. It was granted on coal imported for the purpose of being made into coke and it was granted because of the fact that our friends opposite and their friends had put United States coke on the free list. This meant that United States bituminous coal could be imported free in the form of coke and it was thought better to encourage the manufacture of coke in Canada.

Mr. BENNETT: Surely the hon. member remembers one that his government put into force since he became a member of it.

Mr. RALSTON: That was the one I was talking about.

Mr. BENNETT: The one put through in connection with salt?

Mr. RALSTON: How many tons of coal does that affect?

Mr. BENNETT: It is just the principle of the thing.

Mr. RALSTON: I suppose that might amount to 1,000 or 2,000 tons of coal in a year and on that account I do not think my hon. friend's interpretation is justified.

Mr. BENNETT: It shows what is done.

Mr. RALSTON: With regard to coal, it was left for the present government to make it possible to bring Canadian coal up to the central Canadian markets. First, as to all rail coal, a recommendation was made by the Duncan commisison that the freight subvention which had been granted on coal should be renewed. A subvention had been put into force a year or two before the Duncan commission sat. What was done was this, and not by a Conservative government, not by friends of my hon. friend from South Cape Breton, but by a Liberal government. The rate on coal was $4.80 to Montreal. By the 20 per cent reduction of the Duncan report the freight rate was reduced to $3.80. On top of that was placed a subvention which brought the freight rate on coal down to $3. In other words, there was an increase of thirty cents a ton in the subvention which had previously existed and which had been recommended for renewal by the Duncan report.

Then there was coal which came up the St. Lawrence by water and which it was desired to move further west. A subvention had existed which permitted the payment up to fifty cents a ton on that coal. This government accepted the recommendation of the Duncan report, but in addition it increased that subvention by 50 per cent, making the maximum subvention seventy-five cents a ton, and to-day coal is moving to Ottawa, Hull, Kingston, Noranda and as far west as Taschereau on the Transcontinental railway. How much coal has moved under that subvention? It is as follows:

| Year | Tons |
|---|---|
| 1928 | 85,000 |
| 1929 | 61,000 |

These are the figures as regards water-borne coal:

| Year | Tons |
|---|---|
| 1928 | 86,000 |
| 1929 | 193,000 |

This year the amount of business which has been accepted is not 193,000 tons, but 502,000 tons proposed to be assisted by the present government and the business has already been closed for 330,000 tons so far this year, or almost double the total business done in the whole of last year. This makes a tonnage of over 700,000 tons to be moved under that rate. In addition, bunker coal was taken off the free list. So I think that the Liberal party can claim to have done something for the steel and coal industry.

Now we come along with this bounty provision and the provisions of the tariff with respect to steel. What have the Conservatives done? I have searched in vain and I cannot find that my hon. friends, even during the eleven years they were in power, ever thought of renewing the bounties on coal. I find they granted rebates in duties on iron, on steel. I find that their contribution to the coal industry was to put coke on the free list and anthracite coal on the free list under governments led by Conservative prime ministers. I cannot, however, find very much that would lead my hon. friend from Cape Breton South to look to the Conservative

party for support for the steel industry and I can well understand why he or anyone else claiming to be interested in the steel industry would vote for the present government in connection with the budget.

What is proposed with regard to this labour matter is this: we have the announcement of the manager of the steel company and I have read it to the house. The house sees what it is; attention has been focussed on it and the company desires and believe they can put into force the eight-hour shift. In addition to that we have the statement made by the Prime Minister last night as a result of a conference with a director of the company in regard to the improvement of labour conditions. Further we have the legislation now before the house providing that the Dominion government will assist the local government to enforce any law which that local government may pass not simply for the purpose, as my hon. friend's resolution suggests, of employing the "whole" or any "portion" of that money, but for the purpose of putting into force any labour legislation which is passed as a result of any labour conference held under the treaty of Versailles. Those are the things with which we can go to the men and I believe the men in Sydney know just as well as anyone what they want and their conditions and perhaps better than even the hon. member for South Cape Breton or any other hon. member. I am content to take their judgment in that respect. I believe they will see through the amendment moved by my hon. friend. It is a life saver, an attempt, as I said before, to indicate that my hon. friend is the champion of the labour men but I do not think an amendment couched in that language and with those nebulous words "the whole" or any "portion" to be devoted to improving conditions, will afford much comfort to the men of Sydney. I believe they will regard the implementing of the recommendations of the Duncan report, the granting of this substantial bounty, the assurance which has been given by the manager of the company, the assurance given by the Prime Minister and the evidence of sincerity which appears in the bill itself as being more calculated to improve their conditions than the amendment which has been moved by my hon. friend. My endeavour is to continue assisting this industry to get on its feet. I believe that it can be done. I believe that that industry involves a great deal for the province of Nova Scotia, and I propose when the time comes to go to the men of Sydney and tell them squarely what we have done and what we are doing, and to present this bill to them as it stands, and I am quite content to abide by the result of that appeal. I believe that I shall get their approval of what we are now doing and that they will not be misled by the amendment which has been moved by my hon. friend.

Mr. HEAPS: I have listened very attentively to the speech of the hon. Minister of National Defence, and with one portion of his remarks I entirely agree. That was his statement that the amendment moved by the hon. member for South Cape Breton (Mr. MacDonald) would not be of much use as far as the men are concerned. I think that that goes without saying because it is stated in the amendment that a part of the money shall be devoted to the interests of the men. That part would have to be determined by the company, in which event I think that the men would get very little out of this bounty which I presume is to be voted by parliament.

With other portions of the remarks of the hon. minister I cannot agree. In his later statements I think he tried to convince the house that the party of which he is a member was a higher tariff party than the Conservative party and he almost convinced me that he was right. I do not know whether in that statement he was voicing the opinions of hon. gentlemen who sit on his own side of the house.

The speech of the minister may be summarized under four heads. He dealt with the bounty on coal; the conditions of the industry; the conditions of the men; and lastly with what the Liberal party has done for the province of Nova Scotia. With the latter part of his remarks I am not going to take issue nor indeed touch upon them but I wish to say a few words in reference to some of his other statements.

The minister said that, first of all, we should try to put the industry on its feet, and for that reason he thought that it would be unwise to take any action at the present time which would compel the company to give the eight-hour day or higher wages to its employees. Secondly he said that it is not a matter within the jurisdiction of this parliament to say what labour conditions in Nova Scotia shall be, that that was entirely a matter for the province itself. Suppose that in the near future the provincial legislature of Nova Scotia decided to put into effect the eight-hour day and insisted on fair wages for the men employed in industry. The whole argument of the minister then falls to the ground because the industry would be compelled to put those conditions into effect

irrespective of the conditions of the industry itself. The minister shakes his head. If I am wrong I must have misunderstood him. but that is the only meaning that I could take from his statements this morning and this afternoon. He said that so far as this parliament was concerned, we should not do anything that would interfere with labour conditions in Nova Scotia. Secondly he said that it would be unwise to take any such action at the present time because this company and others are taking a sort of fatherly interest in the condition of their workmen, and that if we wait long enough the time may come when the men may receive better working conditions, and therefore it would be unwise, he said, to take the action suggested at the present time. Suppose that the province of Nova Scotia insisted on the eight-hour day and better wages in industry in the province. It would then be just as unwise for the province to insist upon those conditions as it would be for this house. It makes no difference so far as the men are concerned and so far as the industries are concerned where the jurisdiction lies because the law would be effective in any event.

The minister also said that we should not legislate for one particular industry. What are we doing at the present time? Are we not at this very moment introducing legislation for the benefit of one particular industry? Are we not giving to one industry, even to a portion of one industry, special legislation? This bounty is special legislation for the benefit of a portion of the coal industry in the Dominion.

Mr. RALSTON: Perhaps my hon. friend did not quite get my point. I was pointing out that this was just one particular industry, and that there were fifty-five others on the books that were getting rebates. This is the same as a rebate, and you could not pick out one industry without legislating with regard to them all.

Mr. HEAPS: It is not a rebate; it is a bounty. The steel mills generally buy their coal in the open market and buy to what they consider is their best advantage. But the British Empire Steel Corporation buys coal from its own mines, and we do not know whether they are paying a fair or an unfair price for that coal. But we do know that we have to pay 49½ cents a ton to one company under the control of the British Empire Steel Corporation. There is no equality whatsoever in giving a rebate to the steel company at Hamilton and giving a bounty to a company which owns its coal mines.

[Mr. Heaps.]

Mr. RALSTON: The Duncan commission decided the reverse of that. Sir Andrew Rae Duncan decided that the very basis of this grant was that money was paid out of the treasury to the steel mills of upper Canada, and therefore a like amount should be paid out to the steel mills of Nova Scotia.

Mr. HEAPS: I do not accept Sir Andrew Rae Duncan as any authority on this particular question. It was the same Sir Andrew Rae Duncan who stated in his report when dealing with labour conditions in Nova Scotia that the men employed in the mills should be paid according to the ability of the industry to pay wages, and when a man makes a statement of that sort it appears to me that he is not a fit and proper person to consider labour conditions anywhere in this Dominion. Wages, irrespective of the condition of the industry should be the first charge on the industry, and whether or not the company can afford to pay good wages is not a matter of primary importance so far as the men are concerned.

I might go a little further. The minister has been very profuse to-day in his declarations about being willing to put the industry on its feet and giving consideration to the industry. I am more concerned, as I have stated on more than one occasion in this house, with giving first consideration to the men.

Mr. RALSTON: I said that too.

Mr. HEAPS: I want to give first consideration to the men, and secondly consideration to the industry.

Mr. RALSTON: I said that too.

Mr. HEAPS: But what we are doing at the present time is giving first consideration to the industry, and letting the men take care of themselves.

I am sorry that I cannot see eye to eye with the hon. gentleman who has moved an amendment to the second section of this bill. I have an amendment which I hope to move if his amendment is not agreed to, and perhaps at this particular juncture I may be allowed to state that by my amendment I adopt a portion of section 2 as contained in the bill, but leave out that portion which deals with making this bounty operative when the legislature of Nova Scotia has passed legislation for the eight-hour day and fair wages in that province. My intention is to make this bounty operative only from such time as the industry itself gives fair and reasonable conditions of labour and the eight-hour day to its employees.

Mr. QUINN: I did not intend to say anything on this subject, but I am prompted to do so after listening to the remarks of the Minister of National Defence, who accused members on this side of the house of playing politics with this question. I am sure that the people of this country, and particularly the people of the province of Nova Scotia, are best able to judge who is playing politics with this question. Going back to 1923, there was then a solid representation of sixteen Liberal members sitting in this house from the province of Nova Scotia. In that year the Conservative party in Nova Scotia adopted the platform of maritime rights, and on that platform they elected the present senior member for Halifax (Mr. Black) and thus broke the "solid sixteen." That program was preached by the Conservative party in the two general elections of 1925, with the result that the Liberal party which had held power in Nova Scotia for over forty years was defeated and returned only three members to the legislature. A few months afterwards eleven Conservative members were elected to this house from Nova Scotia. Hon. members know what happened the following year, and they will recall that the Conservative party has advocated that platform consistently up to the present day. The pressure of public opinion became so strong that this government became panicky and in 1926, in the speech from the throne they told us they were going to appoint a royal commission to investigate maritime claims. In due time Sir Andrew Rae Duncan and two associates were appointed and made an investigation. In this they were assisted very materially by the Nova Scotia government of Premier Rhodes, which submitted to the commission a comprehensive brief on the subject matter of the inquiry. Undoubtedly this brief aided the commission in making the report which was submitted to this house in 1926. The legislation now presented by the government with regard to a bonus on steel and coal is based on the recommendations made by the Duncan commission, but although that report was submitted, as I say, in 1926, this government has delayed dealing with them until to-day in the dying hours of the last session of this parliament. I submit that the government is playing politics on this question, not the Conservative party.

The members of the government have pointed out on several occasions that they are treating the maritime provinces very generously and they have called particular attention to the increased subsidy of $875,000 paid to Nova Scotia. But the Duncan commission recommended that this subsidy should be paid annually until the proper amount was adjusted, and this adjustment the commission stated should be made at the earliest possible moment. Well, that recommendation was made four years ago, and no adjustment has yet been made. Let me ask the government why?

In this connection I would point out that the Minister of National Defence (Mr. Ralston) has referred to the bonus granted to the steel companies in 1897. But that was before there was any British Empire Steel Corporation; that was when we had the steel and coal companies in Nova Scotia carrying on a fairly successful business. Because of that fact the money grabbers of this country —the money grabbers that we heard about last week with respect to the Beauharnois deal—saw an opportunity by merging these coal and steel companies into a big organization to make a handsome profit for themselves. They therefore increased the capitalization to such an enormous amount that when they applied to the Borden government for a Dominion charter they were refused. Where did they go? They applied to the old Liberal government then in control of Nova Scotia for a provincial charter, and that government granted the request. I submit to the house that the former Liberal government of Nova Scotia were responsible for the British Empire Steel Corporation and for all the disastrous consequences which have resulted from its incorporation.

There is another matter I desire to call to the attention of hon. members in connection with the payment of subsidies. In the days of the Liberal regime in Nova Scotia we had unrest and disquietude amongst the miners of Cape Breton year in and year out, and strikes were of almost yearly occurrence until 1925, when the Rhodes government succeeded to office. In 1924, the position became so critical that the Liberal government of Nova Scotia applied to the King government to send down troops. This government promptly despatched military units drawn from all over the Dominion and on their arrival in Cape Breton they marched through the affected area with fixed bayonets and loaded rifles the same as our soldiers marched into Germany. What were those troops sent down to Cape Breton for? To threaten these miners who were asking only for fair wages and fair living conditions. In 1925 the federal authorities sent the Rhodes government a bill for the expenses incidental to the movement of those troops.

This bill amounted to $133,000 and from the first half-yearly subsidy paid by this government on the recommendation of the Duncan commission they deducted this amount. This $133,000 has been withheld up to the present day, and unfairly withheld, I submit, because the question being sub judice the money should be paid to the Nova Scotia government until the courts have decided whether the Dominion or the provincial authorities are responsible for its payment.

Our friends opposite have been the supporters and the heroes of the big interests, not the members on this side of the house.

Some hon. MEMBERS: Oh, oh.

Mr. QUINN: Well, what about the Beauharnois deal? Who gave the charter to the British Empire Steel Corporation? Is that not good enough? If the Minister of National Defence and his government are so much interested in the miners of Canada, why don't they do something to stop the importation of Russian coal? Why do they force the miners of this country to enter into competition with the miners of Russia? I submit it is the duty of this government to give immediate attention to this matter and place a protective tariff on coal so that the further importation of Russian coal will cease. Only by doing this will it be possible for the miners of Nova Scotia and the other coal mining regions of Canada to market their product in their own country.

Mr. JACOBS: Is the hon. gentleman aware that the coal coming in from Russia is anthracite? Not one pound of anthracite is mined in Canada.

Mr. QUINN: I understand it is anthracite coal just as well as the member for Cartier does, and I appreciate the difference between anthracite and bituminous coal. But I am accepting the word of one of the cabinet ministers that this Russian coal does come into Canada in competition with Nova Scotia coal. That was stated on the floor of the house the other day. My hon. friend has not been very regular in his attendance or he would have heard that 250,000 tons of Russian coal has been imported. May I ask him if he is in favour of anthracite coal being imported into this country from Russia?

Mr. JACOBS: I am in favour of bringing into this country coal that we ourselves cannot mine.

Mr. QUINN: But we can mine coal that will meet the same requirements as this Russian anthracite coal meets. Our coal can be used to advantage in this country. We have done without Russian anthracite coal for years, and why cannot we do without it now?

Mr. JACOBS: We have not done without it. We got it from Pennsylvania before.

Mr. DUNNING: May I suggest to my hon. friends that the subject about which they are quarrelling is scarcely relevant to the sub-amendment of my hon. friend from Cape Breton (Mr. MacDonald).

Mr. QUINN: I have about finished. I rose to speak because of the statement of the Minister of National Defence.

Hon. R. B. BENNETT (Leader of the Opposition): It is not often one hears a member of an administration accept responsibility for an existing situation and attach the blame to his own government. That much at least has been done by the Minister of National Defence (Mr. Ralston) in the speech he delivered in this house to-day. It must have been gratifying to his supporters in this house to hear him put it so clearly. He has indicated that the British Empire Steel Corporation has for some time been in a very precarious condition, and in fact had to go into the hands of a receiver. He has also admitted that three years ago a recommendation was made that that which now is being done should have been done.

Mr. CHAPLIN: Partly.

Mr. BENNETT: That being so if what is now being done is intended to save the industry, why was the industry not saved three years ago? It is not very difficult for hon. members to place the blame where it belongs if for a period of eight years, from 1922 to 1930, a great industry has been allowed to languish, to use the word of the hon. gentleman.

Mr. RALSTON: That was the hon. gentleman's word.

Mr. BENNETT: He used the word "languish"; if I used the word I am glad my hon. friend has copied it. If this administration has allowed the iron and steel industry to languish for a period of eight years most people will be greatly pleased that those who hold power have at last recognized their obligation in the premises.

Mr. CHAPLIN: In part only.

Mr. BENNETT: In part only. They have increased the duties on steel 66⅔ per cent and 80 per cent, and my hon. friend suggests that that is the proper procedure in order to

prevent this industry from destruction. He also says that they are now giving a bounty of 49½ cents a ton on coal to be used for coking in connection with the steel industry, and that such action has been taken to prevent the industry from destruction. Why was such action not taken during the last eight years; why at any time during the last eight years did the government not take that action, or why was it not done during the last three years, since it was advocated by the Duncan report? If the hon. gentleman was as zealous in the interests of the steel industry as he would have us believe, if he was desirous of protecting this industry as he now states, and if he was desirous of seeing that thousands of men found employment and that the indutry was prevented from falling into decline, why did he not do something in 1926, 1927, 1928 and 1929?

Mr. RALSTON: What about 1911 to 1921?

Mr. BENNETT: The reason was that there was a great war.

Mr. RALSTON: Oh no.

Mr. BENNETT: He knows better than anyone else.

Some hon. MEMBERS: No, no.

Mr. BENNETT: He knows from 1911 to 1914, when the war broke out, certain investigations were being carried on in that regard, and he knows further that from 1914 to 1918, there was an increase of 7½ per cent in all the tariffs. One of the first acts of the Minister of Finance when the war broke out was to increase the tariffs by 7½ per cent.

An hon. MEMBER: As a war measure.

Mr. BENNETT: Yes, as a war measure. That was one of the first actions of the government, and the result of course inured to the benefit of the industry, whether in war time or peace time.

Mr. RALSTON: And to every industry.

Mr. BENNETT: Yes, and the hon. gentleman realizes that the competition in our market was to a very great extent lessened by reason of the demands made by the warring countries upon steel-producing countries. The opportunities for producing steel in our own country were correspondingly greater, and the industry flourished as it had never flourished before. In fact one of the anomalies of life is that the foundation of increased industrial development in Canada has been directly attributable to the war.

Mr. RALSTON: My hon. friend knows that from 1919 to 1922 the industry did not flourish.

Mr. BENNETT: I did not say that it did. After the war there was a reaction which proved to be injurious, not only to the British Empire Steel Corporation but to almost all the industrial enterprises in this country. The revival was very slow and gradual. The situation was so difficult that—

Mr. RALSTON: What did my hon. friends do about it?

Mr. BENNETT: They did a very great deal, the details of which I shall not endeavour to give at this time. I was not in the house in those days, and the hon. gentleman knows that fact, because I was not a candidate in the election of 1917. I was not in the house during the period referred to, the year 1922, but the industry was on the upward grade; conditions were reviving. I can say at least that it was subsequent to that date when the industry went into the hands of the receiver, and I would ask my hon. friends to bear that in mind. If it was allowed to go into the hands of receivers while this government was in power, and this government now says this remedy should be applied to make the situation sound, why did they not take action earlier? Why did they not take action, because it was pressed at all times by the industry that this action should be taken?

Mr. RALSTON: The Prime Minister made his announcement in March, 1927, that the bounty could not be granted in view of the litigation pending at that time. That was agreed to by members of the local administration in the province of Nova Scotia; there was a Conservative administration in that province at that time, and the Conservative newspapers thought the situation was one which should not be dealt with at that time, until the affairs of the company were straightened out.

Mr. BENNETT: But the Duncan report of the year 1926 recommended immediate action.

Mr. RALSTON: I understand that.

Mr. BENNETT: I have yet to learn that the fact that litigation existed is sufficient excuse for the failure of a government to save an industry from utter destruction.

Mr. RALSTON: My hon. friend's party said that, as I have read to this house.

Mr. BENNETT: The hon. gentleman says he has been reading. May I point out again that the responsibility for the condition which existed in the industry must be accepted by the Liberal party in this house, and by no other party. They must accept the responsi-

bility for the simple and obvious reason that it was after the year 1922 that the industry went into the hands of a receiver, and it was after that date that the government imposed a duty of 50 cents per ton upon slack coal. It was then suggested that a bounty should be paid to compensate the industry in Nova Scotia, and other companies which were operating in other parts of the country.

Mr. RALSTON: The drawback to which my hon. friend refers was put on by the hon. gentleman's friends in 1914, and not by the Liberal administration.

Mr. BENNETT: I did not say that a Liberal administration put it on.

Mr. RALSTON: All right.

Mr. BENNETT: And the hon. gentleman very properly contends that there should be a bounty paid to compensate for that drawback. If that be so why was the bounty not granted at any time during the last eight years if, as the hon. gentleman has suggested, it is going to save the industry? Why not have saved it during the last eight years, and not let it go into the hands of receivers?

Mr. RALSTON: Why was it not granted in 1914?

Mr. BENNETT: Because the duty upon slack coal was not 50 cents a ton; it was only 15 cents. It was later increased to 50 cents a ton in the days of Mr. Macdonald who was Minister of Militia and who came from Nova Scotia. That is when the duty was increased to 50 cents a ton on slack coal. Thereupon it was contended that as 99 per cent of the duty was being granted to industry as a drawback, a bounty equivalent to 99 per cent of the duty of 50 cents per ton, or 49½ cents, the amount mentioned in this bill, should be granted on coal which is converted into coke for the purpose of manufacturing steel in Canada, Nova Scotia being the principal province affected.

Mr. RALSTON: Why was it not contemporaneous with the drawback?

Mr. BENNETT: It should have been contemporaneous with the duty of 50 cents per ton; 15 cents was very insignificant.

Mr. RALSTON: On 700,000 or 800,000 tons of coal?

Mr. BENNETT: Fifteen cents a ton was said to be of no use at all. The predecessor of the hon. gentleman who came from Nova Scotia contended that 15 cents was useless and that there should be a duty of 50 cents a ton. As a result a duty of 50 cents per ton was put on coal; the government of this Prime Minister imposed a tariff upon imported coal of 50 cents a ton, and the drawback was extended accordingly. The hon. the Minister of Trade and Commerce secured a drawback in connection with one industry in his particular locality; I went down and looked at it and I recommend that every hon. gentleman should go down and see what it meant to give a drawback on the coal used in that industry, and see what encouragement is given to Canadian enterprise.

By this bounty the hon. gentleman now proposes to accomplish the purpose which he has defined in very clear terms, and which I shall not again express, namely, to give this industry the benefit that results from drawbacks on duty paid on imported coal to the manufacturers of iron and steel in Nova Scotia and elsewhere. His desire is to put the Nova Scotia industry on an equal basis with competitors in other parts of Canada. If it be sound that this should be done in 1930, on the eve of an election, why was it not done at any time during the last eight years? Why has there been no action in connection with this matter for the last two years; why has the hon. gentleman been so silent all this time? Has his voice been raised in parliament to say that this should be done? Has he at any time risen in his place and said to the people of Canada that this bounty should be granted or that the steel duties should be raised?

Mr. RALSTON: I can tell my hon. friend that I have spoken of it in this house and told the people of Canada the exact facts in regard to it.

Mr. BENNETT: Let us see the speeches; there is no record of the hon. gentleman risking his place in the government for his province. If the hon. gentleman believed in this as he now says he does, he would have said to his Prime Minister, "Either we get a tariff on steel and a bounty on coal or I will have to resign my seat." That is the answer; that is what other ministers have said in days gone by when the industrial life of their provinces was threatened. The minister stands here now and says, "We are going to do something for this industry, eight years after this government has been in power."

Mr. RALSTON: No, after nineteen years.

Mr. BENNETT: Do not becloud the issue; eight years after this government has been in power, and in spite of the fact that for the past four years he has been in the government which he now adorns.

Mr. RALSTON: I have told my hon. friend that I have repeatedly made statements regarding the matter, and I have stated exactly why I did not believe it should be granted at that time. I stand by those statements, but I believe the time has come when it should be granted, in view of the reorganization.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: That is right; there is always one gentleman on the other side the muscles of whose right hand are ever ready to move in a noisy direction whenever he can find anyone else to do it. The other afternoon he found that his groans against his own Prime Minister's speech placed him in rather a difficult position, and so the chief whip retired for the moment somewhat in disgrace. The hon. Minister of National Defence was not far behind him in that regard; his tears were also somewhat palpably apparent.

Now let us proceed. I say the Minister of National Defence says that the reason he is now doing this is because the company is being reorganized, but he saw them go into a receivership; he saw employment threatened; he spoke about unemployment; he saw the strike to which reference has been made; he saw the troops there. When did he rise in this house and say as a representative of Nova Scotia, "Either there will be a duty on steel and a bounty on coal or I will leave the government"?

Mr. RALSTON: My hon. friend must stick to the facts.

Mr. BENNETT: Certainly.

Mr. RALSTON: I was not in parliament nor was I a member of the government when the receivership took place, and when the situation did develop the receivership was on. It was felt and agreed by everyone in Nova Scotia who was thinking and who knew about it that this could not be done until the company cleaned up its whole situation, and then it was put before the tariff board by the company. Tariff and rebate were all twined in one; both applications were heard together, and the moment the tariff board reported and the moment the reorganization took place this measure was brought down, and it is the last major recommendation of the Duncan report to be implemented.

Mr. BENNETT: Now, the hon. gentleman says once more that this matter was placed before the tariff board. When was it placed before that board?

Mr. RALSTON: In November, 1928, and the experts of the company before the board—and this is on record, although I am afraid my hon. friend does not read my speeches very much—

Mr. BENNETT: No, I have to listen to them.

Mr. RALSTON: The expert of the company said at that time that it was impossible to have the tariff board deal with the matter in time for last session.

Mr. BENNETT: Certainly; the tariff board in this country never has dealt with anything except the convenience of the government.

Mr. RALSTON: I am talking about the company's counsel, not the counsel for the board.

Mr. BENNETT: Of course the tariff board has only dealt with such matters as the government desired to have dealt with, in the manner and form desired by the government, and the chairman of the board is getting ready now to be a candidate at this election, after establishing certain relationships. That is the situation. Is it any wonder Mr. Darby of the United Farmers sent a letter to the Toronto Star last fall pointing out the political tendencies of this tariff board, and how politics had crept into it to destroy its usefulness? Is it any wonder that is so? Now we have the spectacle again brought before this country of the gentleman whom they say is primarily responsible for the preparation of this tariff and for this recommendation preparing to be a candidate for the Liberal government in a nearby constituency.

Some hon. MEMBERS: A good candidate, too.

Mr. BENNETT: Of course there is not a Liberal who will not say that any man who has raised the duty on steel 80 per cent and 66⅔ per cent and 300 per cent on other articles is not a good candidate for the Liberal party. There is not a Liberal from the west who recalls the days of Billy Moore when he was in charge of the Mackenzie and Mann slush funds, who will not say he is a good candidate; not one of them.

Mr. McINTOSH: He is doing good work.

Mr. BENNETT: He certainly was doing good work in those days, according to the Liberal views, and I am glad to hear the hon. member for North Battleford say that one who recommends an increase in the tariff of

300 per cent is doing good work. He did not always say that; I remember an article which appeared in his paper over his own name in which he seemed to think high tariffs were a menace, that danger was everywhere about. He looked over his shoulder and saw the spectre of evil everywhere, but now Mr. Moore is doing "good work." Let him go and tell his constituents what he is doing in that regard, and see how pleased they will be.

However, let us get back to the hon. gentleman. We have had a minister of the crown come here and admit the condition; he says this is a remedy; he admits that the condition has existed in the past, but that no effort has been made to provide a remedy either by increased duties or by the payment of a bounty. Those who have heard political speeches in the west; those who have listened to them made in this house by the Minister of Railways and Canals hardly think it possible that a man who has made such speeches against increased duties and bounties would sit here and look on while this action is being taken. Those who remember the speeches of the Minister of Finance in times past, when he talked about the iniquity of tariffs and when he spoke of pap-fed industries; those who recall the speeches of the hon. member for Lisgar, who made the air almost blue with the invective with which he spoke against a high tariff policy in this country, must be truly amazed. How must the hon. member for Lisgar feel when he sees these duties put upon steel? Now the hon. minister says this is the remedy for the evil, the remedy that is going to replace the present conditions in Nova Scotia with prosperity and happiness. because the government has done something now that might have been done years ago to bring about that prosperity which was denied when the industry was threatened and men were idle. Now when the receiver has gone we can raise the duties 80 per cent and 66⅔ per cent and pay a bounty of 49½ cents a ton on coal and all is well; everything prospers and blooms as the rose. It is no wonder my hon. friend from Lisgar has a headache.

I simply leave this with the committee and with the house, and say to the hon. gentleman that I congratulate him upon having made this admission of his own culpability and the culpability of his own government in not having taken steps to provide prosperity where they now say it will come by reason of the action they are taking, when in 1926 the Duncan report was in their possession and no action was taken. It is well that these things should be understood and that there should be a proper appreciation by the people of this country of the utilization of a tariff and of bounties in the manner in which the government say they are now using them in order to bring about prosperity, though in times past hon. gentlemen went to and fro throughout the country denouncing pap-fed industries and tariffs and bounties and special privileges for the few.



Mr. CHAPLIN: Mr. Speaker, first of all I want to take exception to the statement of several of the ministers to the effect that the Duncan report has been carried out in this legislative measure. I want to read first of all the statement of the Minister of Finance when delivering his budget speech, when he said:

> It is proposed to implement the recommendations of the Royal Commission on Maritime Claims with respect to Canadian coal used in the manufacture of iron or steel.

I make this statement, Mr. Chairman: Under this provision not one cent is being provided for the manufacture of steel. That is how the Duncan report is being carried out. That report contains the following:

> Having regard to the bounty system previously applied, and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

I would like to ask the hon. minister, or any hon. member in this house who has any knowledge as to the manufacture of steel, if there is one pound of coal used in the manufacture of steel, or if one cent will be paid on coal used in that manner.

Mr. DUNNING: Mr. Chairman, the discussion has reverted to section 1 of the bill, which has been passed. We are considering section 2, which deals with the conditions of payment, and the amendment thereto.

Mr. CHAPLIN: I would not have spoken had I not heard the minister say that the Duncan report has been implemented, and I deny that absolutely as being a fact.

Mr. DUNNING: I tried to deal this morning with the point raised by my hon. friend, by illustrating the application of the bounty to be precisely in the terms of the present drawback which is granted to other steel companies; they are to be on a similar basis.

Mr. CHAPLIN: That does not cover the case at all.

Mr. DUNNING: That is what the Duncan commission recommended.

Mr. CHAPLIN: The Duncan commission does not recommend any such thing. The report says that a drawback shall be given on all coal used in the manufacture of steel. That is what the report says, and that report is not being implemented.

Mr. DUNNING: The report says, "and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture." That is what is being done.

Mr. CHAPLIN: The minister is not reading from the Duncan report.

Mr. DUNNING: Yes, I am. The following appears on page 38 of the report of the Royal Commission on Maritime Claims:

> Having regard to the bounty system previously applied, and to this aspect of the application of the drawback, we recommend that a bonus should be given in respect of steel when Canadian coal is used in its manufacture, and that the bonus should be calculated on the basis of the present drawback for every ton of coal used in such manufacture.

Mr. CHAPLIN: What the government is doing is this: it is giving a drawback on coke which enters into the manufacture of pig iron —no coke is used in the manufacture of steel. That is the joker in this proposition. If the people of Nova Scotia are satisfied, then I have nothing to say, but I am afraid they will be very much dissatisfied before we are through with this thing. It is like everything else done by this government, there is a joker to be found somewhere in every one of their enterprises.

Mr. CANTLEY: It is useless for the Minister of Finance to make the argument he has made. He quoted the clause in the Duncan report which reads, "and that the bonus should be calculated on the basis of the present drawback." That is all we are asking for, but Bill No. 312 does not propose that. That bill proposes a rebate on coal used in the manufacture of pig iron, which is a totally different thing. Practically all the steel manufactured in Nova Scotia is made from pig iron, and it is not true that the coal consumed in the making of pig iron is all the coal which is consumed in the production of steel. The government does not propose to pay any attention to the differenec in these two definitions. It is useless for the minister to quote the words "on the basis of" because the basis refers only to the 49½ cents as the amount per ton of coal which shall be rebated by way of bonus. The 49⅔ cents is there the basis of the bonus payments to be made.

Mr. DUNNING: The same conditions will apply as apply to the granting of the drawback on foreign coal imported by other steel industries.

Mr. CANTLEY: The minister is playing on another string. The minister cannot change the manifest and well understood meaning of the Duncan commission's report, and every man in Nova Scotia who knows anything about this question has expected not what we are now getting, but 49½ cents per ton on all coal used in the manufacture of steel.

Mr. MacDONALD (Cape Breton South): Mr. Chairman, we have to thank the Minister of National Defence (Mr. Ralston) for making clear the position of the government; that it does not intend that the money shall go into the wage envelopes of the men. The hon. member for Winnipeg claims that the suggestion that a portion of this money be paid to the men is too indefinite. That would be a matter which would be in the hands of the government, and it could determine whether one-half or one-quarter or the whole amount should go into the wage envelopes. That could be determined by the fair wage officers of the department.

From 1926 on we have been urging in the house that this bonus be granted, and on March 5, 1926, the hon. Minister of National Defence made a speech in this house.

Mr. DUNNING: The minister was not in the house in 1926.

Mr. MacDONALD (Cape Breton South): It was 1928. In answer to our repeated protestations about the delay, he said:

> But there still remain certain things to be done. It seems to me that it is in the interest of this industry and in the interest of the Dominion that—first, there should be unity between the coal and steel businesses. Secondly, that there should be a shrinkage of the capital so that the industry will have an opportunity of earning a dividend on some reasonable investment. Thirdly, the unwieldly organization should be simplified. It now consists of fourteen companies. Fourthly, there ought to be cooperation by the provincial and municipal authorities in the work of building up this great industry. With the litigation ended and these conditions met, the way will be open for serious consideration by the federal government of the presentation of the real and legitimate needs of the industry.

If the bonus had been granted in 1926 the company would not have been forced into receivership. This government has allowed

the company to go into receivership and after it has pulled itself out of the hole they take the credit for giving it a bonus. One hon. member of this house has said that the labouring man of this country will not be deluded very much longer, and he is not going to be deluded on this question. Either this money is going to the company or it is going to the men, and should this bill pass as at present constituted the money will go to the company.

The telegram which was read by the Minister of National Defence was dictated by the company executives sitting around the table with some representatives of the men. The great majority of the men were not consulted at all, and the great rank and file are back of our contention in this matter.

Amendment negatived.

Mr. HEAPS: I beg to move, seconded by Mr. Woodsworth:

That section 2 be amended by striking out all the words after "not" in the twenty-third line, and substituting the following therefor:

"paying to its employees a fair and reasonable wage and in its operation is not maintaining for all its employees the eight-hour day and the forty-eight hour week and other conditions consistent with the provisions of any international convention adopted by a labour conference held under the treaty of Versailles."

The CHAIRMAN: The section with the proposed amendment would read as follows:

No payment shall be made to any person or corporation entitled to receive any payment under this act, or any drawbacks under the tariff items mentioned in the preceding section, where it is shown to the satisfaction of the governor in council that such person or corporation is not paying to its employees a fair and reasonable wage and in its operation is not maintaining for all its employees the eight-hour day and the forty-eight hour week and other conditions consistent with the provisions of any international convention adopted by a labour conference held under the treaty of Versailles.

Mr. KAISER: Seeing that the city of Sydney has the greatest number of employees on a payroll in percentage to population and that the city of Oshawa which I represent is the second in that class in Canada, I should like to make one or two observations. I sympathize very strongly with the remarks made by the hon. member for North Winnipeg (Mr. Heaps) and Winnipeg North Centre (Mr. Woodsworth), the representatives of labour in this house, in regard to conditions under which men may toil. I am concerned with the establishment of industry, but I am more concerned with the human aspect than with any other feature of it. We are at this moment confronted with a strange situation in Canada. We who desire to see the lot of the labouring man in this country improved are told, according to a statement read last night by the Prime Minister, that the supreme court gave a decision that the Dominion cannot act in regard to hours of labour in accordance with this proposed amendment; that the matters referred to in the amendment, the provinces alone have power to deal with. If that be the case, it occurs to me that the amendment should be further amended by stating that an amendment should first be made to the British North America Act permitting the Dominion of Canada to have some supervision over wages and hours of labour and to be able to make laws in regard to questions of labour and the conditions under which men work in this country. I have been overwhelmed by the remarks made by these and other hon. gentlemen. I never dreamed that men worked in Canada under such conditions as those described, and as a friend of labour, as I have always been, legislation that will mean something for humanity will always receive my support. I would therefore like to ask whether the amendment as presented can possibly remedy the condition of affairs obtaining in Canada, until the British North America Act is amended to meet the situation.



Amendment negatived: yeas, 37; nays, 62.

Section agreed to.

Sections 3 and 4 agreed to.

Bill reported.

Mr. DUNNING moved the third reading of the bill.

Mr. J. S. WOODSWORTH (Winnipeg Northe Centre): I beg to move in amendment:

That Bill No. 312 be not now read a third time, but be sent back to the committee of the whole with instructions that they have power to amend the same by striking out all the words after the word "not" in the twenty-third line of the bill and substituting the following:

"paying to its employees a fair and reasonable wage, and in its operation is not maintaining for all its employees the eight-hour day and the forty-eight hour week and other conditions consistent with the provisions of any international convention adopted by a labour conference held under the Treaty of Versailles."

The house divided on the amendment (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Adshead,
Anderson (Toronto-High Park),
Barber,
Bell (St. John-Albert),
Bird,
Bowen,
Boys,
Bradette,
Campbell,
Carmichael,
Chaplin,
Charters,
Coote,
Cotnam,
Cowan,
Esling,
Evans,
Fansher (Last Mountain),
Fansher (Lambton East),
Fraser,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Grimmer,
Heaps,
Irvine,
Jelliff,
Kaiser,
Kellner,
Kennedy,
Ladner,
Lucas,
Luchkovich,
Macdonald (Kings),
Macdougall,
MacNutt,
Macphail (Miss),
McGibbon,
McGregor,
McQuarrie,
McRae,
Matthews,
Peck,
Pettit,
Price,
Quinn,
Ross (Kingston City),
Ryerson,
Simpson,
Smoke,
Speakman,
Spencer,
Stewart (Leeds),
Stirling,
Thompson,
Ward,
Woodsworth,
Young (Toronto Northeast).—59.

NAYS

Messrs:

Allan,
Bancroft,
Beaubien,
Benoit,
Bertrand,
Bettez,
Blanchard,
Bouchard,
Boucher,
Boulanger,
Bourgeois,
Brown,
Cahill,
Casgrain,
Cayley,
Chevrier,
Crerar,
Delisle,
Denis,
Desaulniers,
Descoteaux,
Deslauriers,
Dionne,
Donnelly,
Dubuc,
Dumaine,
Dunning,
Dupuis,
Dussault,
Fafard,
Ferland,
Gervais,
Girouard,
Glen,
Goulet,
Hall,
Ilsley,
Jacobs,
Jenkins,
Johnston (Long Lake),
Lacombe,
Lang,
Lapierre,
Lapointe,
Lavigueur,
Letellier,
Lovie,
Macdonald (Glengarry),
MacLean (Prince),
McLean (Melfort),
McIntosh,
McPhee,
McPherson,
Mercier (Laurier-Outremont),
Millar,
Milne,
Morrissy,
Motherwell,
O'Connor,
Parent,
Perras,
Ralston,
Roberge,
Sanderson,
Séguin,
Smith (Stormont),
Steedsman,
Stewart (Edmonton West),
Sylvestre,
Taylor,
Telford,
Totzke,
Verville,
Young (Saskatoon),
Young (Weyburn).—75.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Marcil,
Tobin,
Veniot,
King (Prince Albert),
Elliott,
Sinclair (Queens),
Kay,
Duff,
Bowman,
Hay,
Howden,
Baldwin,
Power,
Fontaine,
Malcolm,
Rinfret,
Cardin,
Euler,
Cannon,
Heenan,
McMillan,
Gershaw,
Gray,
St-Père,
Mercier (St. Henri),
Prévost,
Rhéaume,
Fiset,
Hepburn,
McKenzie,
Odette,
Rutherford,
Bock,
Wilson (Vaudreuil),
Lacroix,
Raymond,
Boivin,
Howard,
Foster,
Blatchford,
Bothwell,
Vallance,
Langlois,
Bissett,
Ross (Moose Jaw),
Guerin,
King (Kootenay),
Morin,
Laflamme,
Pouliot,
Robitaille,
Perley,
Harris,
Hanson,
Bennett,
Edwards (Waterloo),
Jones,
Wilson (Wentworth),
Smith (Cumberland),
Hodgins,
Matthews,
Macdonald (Richmond),
Johnstone,
Rennie,
Anderson (Halton),
Stevens,
Cahan,
Cantley,
Manion,
Arthurs,
Black (Yukon),
Fraser,
White (London),
Lawson,
Maybee,
Bell (Hamilton),
Stinson,
Church,
MacLaren,
Spotton,
Bowen,
Robinson,
Gott,
Spence,
White (Mount Royal),
Rowe,
Bell (St. Antoine),
Hocken,
Casselman,
Short,
Ernst,
Embury,
Clark,
Tummon,
MacDonald (Cape Breton South),
Plunkett,
Maloney,
Black (Halifax),
Ryckman,
Guthrie,
Lennox,
Murphy.

Mr. MANION: I was paired with the Minister of National Revenue (Mr. Euler). Had I voted I would have voted for the amendment.

Mr. MACKENZIE KING: I have a standing pair with my hon. friend the leader of the opposition (Mr. Bennett). He was not in the house when the vote was taken, and I therefore felt that I should refrain from voting. Had I voted I would have voted against the amendment.

Mr. KING (Kootenay): I was paired with the senior member for Halifax (Mr. Black). Had I voted I would have voted against the amendment.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted I would have voted against the amendment.

Mr. CARDIN: I was paired with the hon. member for Pictou (Mr. Cantley). Had I voted I would have voted against 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. BOWMAN: I was paired with the hon. member for East Middlesex (Mr. Hodgins). Had I voted I would have voted against 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 against the amendment.

Mr. SINCLAIR (Queens): I was paired with the hon. member for Royal (Mr. Jones). Had I voted I would have voted against the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted for the amendment.

Mr. MacDONALD (South Cape Breton): I was paired with the hon. member for Springfield (Mr. Bissett). Had I voted I would have voted for the amendment.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted against the amendment.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley). Had I voted I would have voted against the amendment.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted against the amendment.

Mr. VALLANCE: I was paired with the hon. member for Vancouver-Burrard (Mr. Clark). Had I voted I would have voted against the amendment.

Mr. MACDONALD (Richmond-West Cape Breton): I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted for the amendment.

[Mr. J. H. King.]

Mr. BLACK (Yukon): I was paired with the Minister of Labour (Mr. Heenan). Had I voted I would have voted for the amendment.

Mr. BOCK: I was paired with the hon. member for Parkdale (Mr. Spence). Had I voted I would have voted against the amendment.

Mr. GUERIN: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted I would have voted against the amendment.

Mr. JOHNSTONE: I was paired with the hon. member for Stanstead (Mr. Baldwin). Had I voted I would have voted for the amendment.

Mr. BLATCHFORD: I was paired with the hon. member for Queens-Lunenburg (Mr. Ernst). Had I voted I would have voted for the amendment.

Mr. HAY: I was paired with the hon. member for Toronto East Centre (Mr. Matthews). Had I voted I would have voted against the amendment.

Mr. ST-PERE: I was paired with the hon. member for Northumberland (Mr. Maybee). Had I voted I would have voted against the amendment.

Mr. BOIVIN: I was paired with the hon. member for Toronto West Centre (Mr. Hocken). Had I voted I would have voted against the amendment.

Mr. SPEAKER: The question is on the main motion.

Mr. BENNETT: Before the third reading of this bill is proceeded with, I desire to say that the other evening I intimated my belief that this country should preserve the provisions of the treaty of Versailles so far as that might be possible. I intimated, after having listened to the explanations made by those in charge of the enterprise in question, indicating that they were proceeding towards an eight-hour shift and a forty-eight hour week, and realizing that this bounty must be renewed from year to year, that I would be acting at variance with my idea that a reasonable opportunity should be afforded to people to effect their purpose and give evidence of the sincerity of their desire to reduce the hours of labour as they have intimated. I have always endeavoured to be reasonable and fair to those charged with great responsibility and to give them an opportunity to effect their declared purposes. I therefore did not vote.

I was called out of the chamber just as the vote was called, and I did not have time to

send word to the Prime Minister with regard to my pair. I did not propose to vote at all because I felt that by so doing I would indicate my unwillingness to give a reasonable opportunity to those directly affected to advance the interests of those that I had most at heart. As I say, I was called out of the chamber just as the vote was called. I told our whip later that I should have intimated to him that I did not intend to vote.

I, with others who share my views as to a reasonable opportunity being afforded to the managers of an industry to effect their purpose as expressed, refrained from voting on this occasion, reserving to ourselves the right to determine our future action in the light of performance when we are called upon to pay out of the treasury the sums that may be necessary to discharge the obligations under this bill. I say that for myself and for those with whom I am associated who share my views and have refrained from voting for the same reason. I do not believe that my hon. friend from Winnipeg North Centre has advanced the cause that is as dear to us as it is to him by not affording the company in question the opportunity to prove by its actions that it is sincere and earnest in its desire to bring about an improvement of the conditions under which the men in this industry work.

Main motion agreed to, on division, and bill read the third time and passed.

## CUSTOMS TARIFF AMENDMENT

The house in committee on Bill No. 345, to amend the customs tariff—Mr. Dunning—Mr. Johnston in the chair.

Sections 1 and 2 agreed to.

On section 3—Schedule A amended.

Mr. BENNETT: I may say, Mr. Chairman, that bearing in mind what was said by the Minister of Finance yesterday in connection with the rate on flour under item 61, I am informed now that he was in error and that the rate he then quoted was per 100 pounds and not per barrel.

Mr. ADSHEAD: We cannot hear a word.

The CHAIRMAN: Order.

Mr. BENNETT: I was dealing with item 61 which provides for countervailing duties being applied to flour. Flour is made from soft wheat and from other qualities of wheat, and I endeavoured the other evening to impress upon the minister the desirability of provision being made for the importation of soft wheat to meet the requirements of a small biscuit factory at Calgary and another at Edmonton. Yesterday the minister in declining to accede to the suggestion to divide flour into the two classes, for tariff purposes, indicated that the rate on flour from Toronto to Calgary was 76½ cents per barrel. On inquiry this morning I am informed that the rate is $1.51 per barrel and 76½ cents per hundred pounds.

Mr. EVANS: I rise to a point of order, Mr. Chairman. I should like to know whether this is a free-for-all, or are we excluded from the discussion.

The CHAIRMAN: I would ask hon. gentlemen to try to keep order in the committee. At present it is almost impossible for any one to hear the discussion.

Mr. DUNNING: If my hon. friend will permit me: The figures he is now quoting as to rates are the same figures as were supplied to me, but the difference between them is not the difference between per hundred pounds and per barrel but between the less than car load and the carload rate per barrel.

Mr. BENNETT: Do you mean it is just half?

Mr. DUNNING: That is the information supplied to me. I have had the figures checked once, but in order to be absolutely certain I am arranging to have them checked again.

Mr. BENNETT: I can hardly think there is a differential of 100 per cent.

Mr. DUNNING: There might be over such a long distance as from Toronto to Calgary. The less than carload rate, as my hon. friend from his long experience of freight rates knows, would be very high for a single barrel, whereas the carload rate would be much lower proportionately. However, I am again checking the matter. I assure my hon. friend that I gave the information just as I received it.

Mr. BENNETT: I have not the slightest doubt that the minister gave the information in the utmost good faith. I questioned it at the moment, and he said it was his information. This morning I am advised that the rate is 76½ cents per hundred pounds.

Mr. DUNNING: And how much per barrel?

Mr. BENNETT: Per barrel, $1.51, I think.

Mr. DUNNING: Yes, my hon. friend's figures may be right, but he may not be quoting the carlot rate; that is the whole point.

The $1.53, I think, is the figure I quoted on the less than carload basis; but the carlot rate was what I quoted as 76½ cents. Is my hon. friend sure he asked for the carlot rate?

Mr. BENNETT: As a matter of fact I left a memorandum with regard to it, and I never speak with certainty about something that I am not certain about. My desire was to obtain the rate per hundred pounds on flour from Toronto to Calgary in carload lots; but whether or not the information I have received is correct I cannot say. But I apprehend from what the minister said yesterday it would not change the fate of the item so far as he is concerned—that he intends to let it go into operation as it stands.

Mr. DUNNING: The correctness of the information I supplied was one of the factors I undertook to consider when my hon. friend raised the matter first. I think we had better proceed.

Mr. BENNETT: On the theory that it is correct?

Mr. ADSHEAD: As this wheat is a necessity in Canada why should we penalize ourselves by putting a duty on it? This wheat is necessary for the biscuit industry of the Dominion.

Mr. DUNNING: My hon. friend perhaps is not aware that large volumes of soft wheat are produced in Canada. Last year Canada milled over 4,000,000 barrels of soft wheat flour and in fact exported some of it.

Section agreed to.

On section 4—Schedule B amended.

Mr. BENNETT: Before this bill is disposed of I have a very important question to ask the minister and I ask it with some hesitancy. In the Toronto Daily Star under date of May 19 there is a despatch from Ottawa by a staff reporter reading, in part, as follows:

> It is suggested in some quarters that Mr. Dunning put the high duties on these commodities to demonstrate to Canada what high protection really meant in dollars and cents on the cost of living. Having plainly shown it, he intends to revise the fruit and vegetable schedule into a moderate tariff.

On May 17, the Minister of Agriculture (Mr. Motherwell) sent a communication to various persons in connection with the tariff situation, and among other things on page 4 of his letter he wrote:

> In the event, however, of any of these customs duties on fruit and vegetables working out in commercial practice higher than anticipated, they are quite likely to be modified in committee, as in former budgets.

[Mr. Dunning.]

Now, I ask the Minister of Finance, occupying one of the most responsible positions in this country, whether or not there is any foundation in fact for the statement made by the newspaper correspondent and others—some members of this house from Saskatchewan have made a similar statement—that he deliberately introduced into the tariff resolutions a provision with respect to fruit and vegetables which necessitated the payment of high duties, thereby increasing the cost to the consumer, as indicated by the reports made the other evening from Winnipeg and Calgary and other points, and then repealed such provisions and inserted other provisions for the purpose of indicating to the Canadian people that the imposition of such duties involved a higher cost of fruit and vegetables to the consumer?

Mr. DUNNING: My hon. friend knows what the answer is. I can of course state that the increases in prices of fruits and vegetables which resulted were entirely out of proportion to the increased duties levied—that goes without saying—and to that extent were a surprise to me. But as to introducing a matter of this importance to this house under any subterfuge, I think my hon. friend knows me better than to imagine that I would do so. And I can certainly say definitely, "no" to his question whether I introduced something to this house in the tariff with the deliberate intention of afterwards changing it.

Mr. BENNETT: I need hardly say, Mr. Chairman, that I asked the question only to afford the minister an opportunity to deny that he would do any such thing. No man would be fit for the high position of Minister of Finance who would do such a thing. Yet I am bound to say that there are members who have stated that that was his purpose in doing it, and I must say that those members sit on the other side of the house and come from his own province of Saskatchewan.

Some hon. MEMBERS: Who are they?

Mr. BENNETT: I thought it highly desirable that there should be no further opportunity for misunderstanding in respect to that matter.

Mr. McPHEE: I would like to know to what members from Saskatchewan the hon. gentleman has referred.

Mr. BENNETT: I have no intention of naming them; they name themselves.

Mr. DUNNING: I wish to call the attention of members of the committee to a printer's error which occurs at page 7; I want to be sure that hon. members understand it correctly. In connection with item 152d the printer has the figure 27½ in the general and intermediate columns; it should be 22½ in each case. It is purely a printer's error.

Mr. YOUNG (Saskatoon): I would like to ask the leader of the opposition to what members from the province of Saskatchewan he has referred. He made the statement that the Minister of Finance had put something in the budget because of certain action by members from Saskatchewan. I think it is only fair that he should state the names of those members.

Mr. RYERSON: Mr. Chairman, I have just received a message from the manager of Robbins and Myers Company of Canada, Limited, of Brantford, manufacturers of small motors. With the permission of the committee I shall read the message:

Am informed tariff item 457 has been amended, page 2617 Hansard, May 23rd, admitting washing machine motors 10 per cent duty general tariff. This is very bad for our business which has been built up under bad competition from the States. Old duty should hold. Please do what you can.

This telegram is sent by K. C. Berney of the Robbins and Myers Company, Brantford. I might say that under the former item there was a duty of 30 and 35 per cent, and under the new tariff the general rate is 10 per cent. This manufacturing concern began business in Brantford a number of years ago; it is a branch of an American factory, and I believe it is still connected with the American concern. They employ a large number of people, and it is altogether likely that this proposed change will make it impossible for them to continue their business. Will the minister consider taking off this item?

Mr. DUNNING: The matter of adding those small less-than-one-horse-power machines to the concessions granted to the washing machine people was very carefully considered. I cannot promise that there would be any possibility of changing the rate.

Mr. RYERSON: This industry was organized in the city of Brantford practically for the sole purpose of manufacturing these small motors for washing machines and vacuum cleaners, and I may say to the minister that this item hits their industry very hard.

Mr. BENNETT: Is it possible to deal with the matter by using the same language as is used in item 457a, which is limited by the use of the words "of a class or kind not made in Canada"? Inasmuch as this industry and probably other industries of the same character are affected, the use of these words might be sufficient. Would such a clause interfere with the general principle which the hon. gentleman has in mind?

Mr. DUNNING: Yes, very seriously.

Mr. WOODSWORTH: I would like to move an amendment, that the bill be amended by adding the following words:

Provided however that the rates of duty set out under items 377, 377a, 377b, and 377c shall apply only when the industry producing the articles enumerated therein has demonstrated to the satisfaction of the governor in council that in the operation of such industry the employees are paid a fair and reasonable wage, and that there is instituted the eight-hour day and the forty-eight-hour week in accordance with the provisions of any international convention adopted by a labour conference held under the treaty of Versailles.

Mr. DUNNING: I wish to take only one or two minutes to point out the impracticability of this amendment. I hope my hon. friend will not again reproach me from the point of view of lack of sympathy or lack of knowledge; the question is purely one of practical administration. I think my hon. friends will be kind enough to credit me with having the same sympathy which they themselves have shown.

The customs tariff is made for use in customs ports of entry wherever they may be, all across this country. The rates set out in that tariff become the rates charged upon imported goods. As I understand the amendment it applies to the whole of the industry engaged in producing the articles named in these four schedules, and it will be noted that in connection with some of them the tariff has actually been lowered, particularly as to the British preference. My point is that at the present time there is one concern, a part of this industry, which has established the eight-hour day with respect to the major portion if not all its undertakings. My hon. friend will see at once the unfairness of the position created by his amendment. If even one of the concerns engaged in this industry did not comply with the conditions of his amendment, assuming it to be passed, then all those engaged in the industry would have applied to their product the former tariff instead of the present one. If industries in the United States were interested in getting their goods into this country at the old tariff rate it would be a very simple matter for them, through the control of one Canadian concern,

to ensure that the new tariff would never become operative; they would simply refuse to comply with the conditions of the amendment. In that way the whole Canadian industry might be placed at the mercy of one particular company. I point this out for the reason that again we are attempting to accomplish by indirect means something which we cannot do directly, as was pointed out last night by the Prime Minister. The provincial legislatures can legislate with respect to hours of labour and rates of wages within their provinces. If we tried to do it in the manner proposed by my hon. friend we would simply create a condition of chaos in the administration of customs along the border; otherwise we must apply to the whole industry a condition which is unfair to those of the industry who are complying with the conditions described in the amendment. My hon. friend sees, I am sure, the dilemma from a practical point of view which would arise out of the adoption of his proposal.

Mr. WOODSWORTH: There may be some ground for the minister's statement, but I would point out that similar difficulties prevail at the present time. For example, if the Algoma Steel Corporation should undertake to put in the eight-hour day they would be handicapped because of competition with the Besco people at Sydney who would not have the eight-hour day, and thus, for those who want to do the thing fairly, there would be a very great hardship involved. I say that a like situation actually exists to-day which probably is worthy of more consideration than the hypothetical case with regard to which the minister speaks.

Mr. DUNNING: No, I can assure my hon. friend that the difficulty created by his amendment would be in fact much worse. I have had it very carefully looked into.

Mr. WOODSWORTH: Then further, whilst there might be difficulty with regard to American firms establishing branches in this country, we already have that situation to-day where a great many American firms are actually establishing branches here in order to get in under the British preference. Therefore that situation also is one which at present prevails.

Mr. DUNNING: My hon. friend sees that his own point bears out what I say now. Under his amendment, if one of them refuses to comply with the conditions, he would place the whole Canadian industry under the handicap of having imports of these commodities come in from the United States at the old rates instead of at the rates proposed in this tariff. My hon. friend is reinforcing my point purely on the practical side.

Mr. WOODSWORTH: I quite admit that practical difficulties are involved, but I want to suggest, as we have been trying to do in several of these debates during the last few days, that practical difficulties exist at the present time so far as the men are concerned. I think I may say the government has done nothing whatever to obviate the practical difficulties that are experienced with regard to labour in the industry, and it proposes nothing to obviate them. Those of us who have been trying to represent especially the interests of labour—because industry has enough people to stand behind it—must do what we can on an occasion of this kind to press again upon the government the necessity of caring for the labour men who are engaged in industry.

This resolution which I have submitted to the committee is almost identical with and certainly follows very closely the lines of that suggested the other day by the leader of the opposition. There are a few phrases which are slightly changed in order to bring it more closely in conformity with the phraseology of the Versailles treaty, that is all. The idea is one which I took directly from the leader of the opposition. From what he said on another occasion this afternoon, in connection with the amendment to the bill providing for a bonus on coal, apparently he feels that under present conditions it is not advisable to force the hands of the company. I have no qualms of conscience with regard to that at all. The company has been going on for a good many years in one form or another, maintaining these same bad conditions. The fact that it has been reorganized does not seem to me to be a sufficient reason for us to refuse to attempt to safeguard the men at this time of reorganization. Everywhere the interests of capital are given preeminence; in this amendment which I am seeking to have the committee adopt, the interests of the workers are given preeminence and we are making provision that wages and decent conditions of labour ought to be a first claim. I think I can trust the Minister of Finance so to manage its administration that some of these evils which he foresees might be obviated.

Mr. BENNETT: Mr. Chairman, I am inclined to think that the hon. gentleman has not given this matter his usual care and attention. Certainly I have given a great deal more attention to it during the past few

days than I ever thought I should have done. Suppose this amendment carries; it imposes a duty on the importation of steel, as indicated by the statute.

Mr. WOODSWORTH: This follows almost precisely the suggestion made by the leader of the opposition.

Mr. BENNETT: My hon. friend will observe that I did not move that as an amendment. It was handed to me by my hon. friend from Vancouver Centre, and I did suggest, as perhaps the hon. gentleman will remember, that something of this sort might be enacted. The next day—because the matter came suddenly to my attention—I took some time to consider it and I studied it carefully. I do not see how you can impose that amendment upon a tariff item and make it inure to the benefit of those whom the hon. gentlemen desires to assist. They are not interested in the importation of steel, and not being interested they are not concerned about the tariff. The tariff is imposed for the purpose of providing more work for Canadians in Canada, not somewhere else, and it is believed that this enactment, by increasing the duties on steel 80 per cent, will have the effect of shutting out steel from the United States and enable steel to be made in Canada that heretofore has been made somewhere else. That means that much more work for Canadians who now have no jobs, but to say that the tariff should not apply unless the people in the factories that would be benefited work only a certain number of hours per week is an impracticable suggestion from the point of view of its being carried into effect, because workmen do not import; they only work at new jobs created by reason of this tariff shutting out the importation of steel and enabling the demand to be supplied in Canada.

That is the first reason why I began to study the proposal, but there is a second reason which I commend to my hon. friend. Reforms are not won in a day. The hon. gentleman himself is a striking illustration of that.

Mr. HOWARD: Oh, oh.

Mr. BENNETT: There is nothing to laugh at, because the hon. gentleman has accomplished a great deal, but he has not done it in a day and he would be the first to say that progress is slow and that reforms are not won in a day or a night. Here is the case of an industry which employs over 20,000 men, and which has recently emerged from a receivership. If it continued in that receivership certainly it could never hope to be a worth while industry; but now it has emerged. There is an industry in another part of the country that has just managed to pay its bond interest, that is, interest on that part of the capital which is borrowed. Usually if you say that 75 per cent of the capital is borrowed you are stating a maximum, because in many instances it is less in this type of enterprise. For some time the dividends payable to shareholders have been nil; that is, eliminating the watered stock, the money which has been put into the enterprise has produced no return. It is not necessary to say that when it was put in it was expected that it would produce a return, and it is hoped that it will produce a return. Moreover, they have given an understanding to the Prime Minister that they do not look for a return until they have accomplished the reforms which my hon. friend desires to have accomplished and which I think it is fair to say every hon. member in this house expects to see accomplished. If that be so, having regard to the fact that we have control over this matter in this house, which in the ordinary course of human events will meet again within the next eight months, and having regard to the fact that the hon. member has succeeded in bringing to the attention of these corporations and of parliament a condition which parliament desires to remedy, should there not be afforded to the companies an opportunity to change gradually their whole business structure? They have introduced many new practices which render the lot of the workingmen much less difficult than it was. Is it not fair to say that the hon. member for Winnipeg North Centre has accomplished his purpose in having brought this matter to the attention of parliament and having secured a favourable judgment upon the necessity of the change being made. Should we not afford to those who have to undertake the change a reasonable opportunity to do so? The reasonable view is the one which in the end prevails, and when one considers the statement made to the Prime Minister and to myself, although not by the same gentlemen, backed by the observations made by the Minister of National Defence (Mr. Ralston), it must be conceded that the hon. member has made a great step forward. Assuming that the Minister of Finance adopted this amendment, where would we be?

Mr. WOODSWORTH: May I ask a question of the hon. leader of the opposition?

Mr. BENNETT: Certainly.

Mr. WOODSWORTH: The hon. member has said that we would be here in parliament

next year, and no doubt this matter will come up again. I do not want to press unduly the leader of the opposition, but will he be willing to support a movement along this line when we meet here at the next session of parliament?

Mr. BENNETT: The question is not an unfair one, and I have no hesitancy in saying that unless a reasonable excuse is offered, I propose to do so.

Mr. DUNNING: In fairness to myself, I would like to point out the impracticability of this present amendment.

Mr. BENNETT: The hon. member did not ask me if I would support this amendment.

Mr. WOODSWORTH: I mean to support the idea we have in mind, that is, a forty-eight-hour week and six days per week.

Mr. BENNETT: It is not an eight-hour day, it is eight-hour shifts in respect to steel manufacture.

Mr. WOODSWORTH: That reasonable conditions and rates of wages and hours of labour shall be secured for the steel and coal workers?

Mr. BENNETT: I assure the hon. member that I shall make every effort that I can in that direction. Suppose a crisis should arise and the plant should shut down because no orders are on hand, surely the hon. gentleman would not expect that the change would be effected in that case. I have already discussed with him the conditions which obtained in Germany, France and Great Britain immediately after the war, and the conditions which now obtain in the United States. These changed conditions do not obtain in all the plants in the United States, but most of them have adopted the general principle of the eight-hour shift. The Prime Minister spoke last evening, and I suppose with that discipline which prevails in a government but which does not always prevail in opposing groups, his remarks can be accepted as applying to all supporters of the government. I believe it is the unanimous opinion of this House of Commons that everything reasonable should be done to bring about the changed conditions to which the hon. member has referred. Judging from what has been said, I think that is a fair statement to make. I do not believe that by being, shall I say too insistent upon relief being granted, one readily obtains the end aimed at. If one reads the lives of Lord Shaftesbury and Samuel Plimsoll, one will realize that that is so. Progress may be slow but it is steady. I think the cause of the hon

[Mr. Woodsworth.]

member could be advanced by a moderate expression of opinion—I am not complaining —and by a steady insistence upon the soundness of the views expressed, and by bringing to its support and assistance that great body of moderate public opinion which controls in the end the actions of parliaments and legislatures.

Mr. EVANS: Mr. Chairman, the unreasonable part of this whole thing is that the government is seeking still further to privilege this concern, after the bonuses, bounties and privileges it has received for the last thirty years. The hon. leader of the opposition and the government should not accuse the hon. member for Winnipeg North Centre of being unreasonable in trying to insert in this bill what I consider to be a reasonable condition. I object to giving these concessions and privileges to this company without the imposition of any conditions. I deny the words of the hon. leader of the opposition that this is done in order to provide more jobs in Canada; it is not done for the workingman at all, and never has been done for that purpose. I protest against the whole business.

Amendment negatived.

Section 5 agreed to.

Bill reported.

Mr. DUNNING moved that the bill be now read a third time.

Mr. BENNETT: Would the hon. minister be good enough to look at section 5 of the bill, which reads:—

> This act shall be deemed to have come into force on the second day of May, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the preceding sections imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that date.

Does that involve the possibility of refunds, or is that section in the usual form of sections of like character?

Mr. DUNNING: It is the usual form. I cannot add anything to the statement which I made regarding refunds.

Mr. BENNETT: I wanted to be sure of the exact meaning.

Mr. DUNNING: Of course, applications for refunds are always in order.

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

## PENSION ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. J. H. KING (Minister of Pensions and National Health) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 265, to amend the Pension Act.

He said: There are two amendments proposed by the Senate. The first is to qualify section 9 of the bill, and deals with the reinstatement of pensioners who have commuted their pensions. It provides that the pensioner shall be entitled to the pension which he was drawing previous to the time of commutation. The second amendment is on page 7, line eight. The word "heretofore" is substituted for the word "herebefore." All the amendments are accepted.

Mr. MANION: I do not know all the amendments. Do they make any change in the meaning of the bill as put forward by the committee?

Mr. KING (Kootenay): No. There was some misunderstanding before the Senate committee and this is merely to clarify that. The amendment was drawn by the Department of Justice.

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

## SOLDIER SETTLEMENT ACT

Hon. CHARLES STEWART (Acting Minister of Immigration) moved the second reading of Bill No. 313, to amend the Soldier Settlement Act.

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

Bill reported, read the third time and passed.

## TORONTO TERMINALS RAILWAY COMPANY

Hon. T. A. CRERAR (Minister of Railways and Canals) moved the second reading of Bill No. 129, respecting the Toronto Terminals Railway Company.

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

Bill reported, read the third time and passed.

## CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No 138, to amend the criminal code.

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

Section 1 agreed to.

On section 2—Promoting changes by unlawful means.

Mr. LAPOINTE: Clause 2 covers the same bill as has passed this house six times to repeal certain sections introduced into the criminal code in 1919. This has been debated so many times that I presume I need not again give the purpose of this clause. The committee know very well what is involved.

Section agreed to.

On section 3—Unlicensed importation, manufacture, sale, gift, etc., of certain weapons.

Mr. LAPOINTE: Clauses 3, 4, 5, 6 and 7 would enact a bill which has passed the Senate on three occasions concerning firearms and licensing of weapons. That bill was submitted one year to a committee of the house, passed the committee, but was not proceeded with by the whole house. I admit that this involves a rather important and considerable change, and some members have represented to me that at this late stage of the session it might be better to leave the matter over for another year when I expect we shall all be here again in our respective capacities. Therefore I would ask that sections 3, 4, 5, 6 and 7 be dropped.

The CHAIRMAN: Mr. Cardin moves that sections 3, 4, 5, 6 and 7 be dropped.

Motion agreed to.

Sections 3 to 7 inclusive dropped.

On section 8—Intentions not seditious.

Mr. LAPOINTE: This is in the same class as clause 2. It is to replace in the code a limitation which was there prior to 1919 Clause 9 is also to replace the law as it was prior to 1919.

Section agreed to.

Section 9 agreed to.

On section 10—French version amended.

Mr. LAPOINTE: This is to correct certain words in the French translation of the statute. It does not change the law.

Section agreed to.

On section 11—Broker reducing stock by selling for his own account.

Mr. LAPOINTE: Clause 11 is an amendment which all the attorneys general of the provinces, in a report of their conference following certain stock market operations, have asked us to enact. Its purpose is to prohibit brokers from selling shares which they have under their control in such a way as to reduce the amount of such shares in their hands in the ordinary course of business below the amount of such shares which they should be carrying for all customers. I have kept the wording adopted unanimously by the provinces.

Mr. LAWSON: I feel it incumbent upon me to deal with sections 11, 14 and 15 of this bill, and as much as I have to say under sections 14 and 15 is referable to section 11, the time of the committee would be saved if the minister would be good enough to allow section 11 to stand until sections 14 and 15 have been disposed of.

Mr. LAPOINTE: There is no objection.

Section 11 stands.

On section 12—Advertising, printing, posting or selling intelligence on horse races.

Mr. GEARY: I would suggest that the minister let this section stand until we are all together again next year.

Mr. LAPOINTE: No. I am very obliging, but not to that extent.

Mr. GEARY: The difficulty to my mind is just this. Section 235 of the act includes advertising, printing, publishing and so forth of information intended to assist in, or intended for use in connection with bookmaking, pool-selling, betting or wagering upon horse races or upon any fight, game or sport. I do not know whether "sport" would include contract bridge or not. This bill takes out of the general section horse racing. If you are inside the high board fence, you can be shown anything; you may look at the horses and look at the board and see what you want; not that that gives you much satisfaction as a rule, but the information is there available. The only condition is that you must put up your money and get inside the high board fence. People are interested in horse racing aside from betting. Horse racing has been described as the sport of kings, and betting has been associated with horse racing from time immemorial. This House of Commons has endorsed the practice of betting on horse races. The province from which I come has also more or less endorsed it and takes a considerable fee from the operations of the betting machines. The betting has become more or less mechanical, and the province profits by it; so that we have endorsed it.

Under the section before us you must not even know a day or so before a race that a certain horse is the son or daughter of another horse, or what that other horse did in his or her day. That is to say, you are not to be given any information. The newspaper is prohibited from publishing news in regard to a very fine animal because it may be that it would have something to do with betting upon the result of that animal's efforts in a race. Then afterwards you cannot go home and tell anybody what the horse paid on a race because you are publishing information. You go down to the race track, knowing nothing, whether you want to bet or not, because you are not allowed to discuss or read about a horse. You pay your money and get inside the high board fence. You do your betting if inclined that way, and when you get outside you must forget the whole business. It seems to me that we are being made too good. I am not a racing man myself and am not particularly interested in racing, but I know a great many people who are interested in horse racing and in knowing about the horses, what they do and have done, and in what they did at the races, but under this section when you are going home on the street car with a friend you cannot even tell him that a certain horse paid $2.15 on a $2 ticket, because that would be publishing information. The whole thing is ridiculous. There will be some betting on the election this year, probably more than on most horses races. There is hardly a member of this house who does not go home in the evening and play a game of bridge for a small stake, and I do not suppose there is any harm in that.

If you preserve the old provision and require some intention in the publishing, I think you will reach the evil. The police, of course, would like that struck out. They do not like to have to prove things too closely. It is easier for them to get people convicted when they do not have to prove intent. It seems to me that we are going very far. I know that there are certain papers which are behind this bill and certain papers which are against it. I must say to the minister and to the committee that, after all, no matter how badly it may be abused, horse racing is a sport in which a great many people in this country are interested, and if the papers of this country are not to be permitted to publish what is perfectly

legitimate news you are clamping on them a sort of embargo or prohibition to which it seems to me a free press should not have to submit.

Mr. LAPOINTE: I would be the last man to say that horse racing is necessarily a wrong thing; far from it. But as my hon. friend will see, there is nothing here to prevent horse racing or even betting on the pari-mutuels at the races. The object of this bill is to make more difficult the business of certain bookmakers who are carrying on their trade almost everywhere in the cities—in the barber shops, in the hotels and in the stores—and are creating a situation which many people believe is a curse. This amendment has been asked for by many associations, and it is exactly the same as has been introduced into this house and passed by it on two occasions.

Mr. GEARY: How will this prevent handbook-making?

Mr. LAPOINTE: It will make it more difficult. They will not have all the present facilities for giving to the poor fellows who frequent those places information by way of tips, odds and that sort of thing which they now give out. It is illegal to do that under the law as it stands now, but the law is very difficult of enforcement because, as my hon. friend pointed out, you have to prove that the tips or odds, advertising or printing and so forth were intended for use in connection with bookmaking. It has been found in practice that these words tended to make the law absolutely ineffective and very difficult of enforcement. The law will remain the same for all other games. But horse racing is really granted a privilege under the code; only when it applies to horse racing is betting not unlawful. Therefore no serious objection to this section should come from those interested in horce racing.

Mr. GEARY: I can understand the minister's argument with regard to pre-race tips, but surely no part of it has any bearing on the publishing of post-race news.

Mr. LAPOINTE: I do not suppose that publishing the names of the winning horses and their places would be illegal; that is altogether different from publishing odds or tips, or anything of that kind.

Mr. MANION: Could not they arrange to have the names of the winning horses published before the race?

Mr. POWER: Although I am not very strongly in favour of this bill, it is quite possible that handbook betting would be materially assisted by the publication of the odds of a race after the race has been run, because it is the custom of the handbook men to pay off the bettors on the starting-price basis published in the newspapers. That becomes the official return in the transactions between the handbook men and their clients. At any rate, that is my information.

Mr. McGIBBON: These proposed amendments, Mr. Chairman, bring back memories of old times. During the war and after we had a kind of hysteria that found expression in amendments to the criminal code. In course of time with the assistance of hon. gentlemen in the Senate and some of us in this house, like my friend from Quebec South (Mr. Power), we succeeded in defeating many of those proposed amendments. They are making their appearance again now.

Mr. CAHILL: We are getting good again.

Mr. McGIBBON: Yes. Some of them are absolutely ridiculous. There is one thing that I have always tried to uphold in this country, consistent of course with the enforcement of decent law and order, and that is the liberties of the people. I am not a lawyer, but I would be inclined to agree with the interpretation given this section by my friend from South Toronto (Mr. Geary). If he is correct, we are making ridiculous infringements on the liberties of the people. It is all right to say here that these proposed amendments do not mean this and that they mean that, but my observation has been,—thank God! I have not had any experience—that that does not help much in the courts. On behalf of the people of this country, Mr. Chairman, I strongly object to these constant attempts to take away our liberties—liberties that were bought dearly in the years gone by. There are other amendments, for instance, section 13, that I think it would be a crime to pass. I desire to associate myself in this regard with the member for Quebec South and the member for South Toronto. I think this section should stand.

Mr. CHURCH: Who is asking for this particular amendment?

An hon. MEMBER: The Toronto Globe.

Mr. CHURCH: If this amendment is accepted betting will be legal inside, say, the Woodbine, among a crowd of 15,000 or 25,000, and illegal over the fence across the road. I am not a race track man, I never made a bet on a horse in my life, but I think this is the wrong method to stamp out the evil of gambling. Why does not the Minister of Justice go further? I see some papers are crediting him with giving tips on the coming election.

Mr. CHAPLIN: The Toronto Star offered 10 to 1 the other day.

Mr. CHURCH: Why does not the Minister go further and declare illegal tips on football, baseball and other games? Some people lose more money on those games than they do on horse racing. I suppose we shall be told that this is another example of "twentieth century Liberalism." Well, I am certain our friends opposite know what will happen to this bill. They know it will meet the same fate as a similar bill last session—some hon. gentlemen elsewhere will chloroform it. If the Minister of Justice wants to do something practical to cure this evil, let him try to stop gambling in the pool rooms of the larger cities of this country. I doubt very much whether the bill if enacted would have the effect the minister expects; but certainly it will have one effect—it will abolish the race track.

Mr. LAPOINTE: This is exactly the purpose of the bill, to stop betting in pool rooms. As to betting on political elections, I may say it is already covered by the criminal code. Of course, anybody can make a private bet —I enjoy it myself—but public betting on anything of this kind is covered by the criminal code. Anybody who records or registers any bet or wager or sells any tip with respect to a political or municipal election brings himself within the criminal code. If my hon. friend did that he would be guilty of an indictable offence and would have to go to gaol for a year.

Mr. MANION: But, as the member for Toronto Northwest pointed out, the minister himself has been giving tips on that very thing.

Mr. CANNON: He is not selling them.

Mr. MANION: The member for Toronto Northwest inquired as to who had been asking for this legislation. I should like to know as well.

Mr. LAPOINTE: As I said before, this question has been before the house on two previous occasions. I can find resolutions of very worthy associations which have asked for this reform.

Mr. MANION: I would like to have the names of some of those associations.

Mr. LAPOINTE: Oh, I do not think that is necessary.

Mr. MANION: I am serious; I would like to know who is asking for this legislation.

Mr. LAPOINTE: There are some church organizations.

[Mr. Church.]

Mr. MANION: Sometimes church organizations ask for strange things; who are the people asking for this legislation?

Mr. McGIBBON: I would like to ask the minister if those who asked for it requested discriminating legislation of this type.

Mr. LAPOINTE: That is the bill which they have been asking for.

Mr. McGIBBON: Did they ask to make betting legal inside the track and illegal outside the track?

Mr. LAPOINTE: I wonder if my hon. friend remembers an occasion when we discussed this question for a week, the matter of allowing betting on race courses was discussed at great length in this house. It was decided that racing must be under the control of incorporated clubs, and that they should have only one or two meets each year. I voted for that legislation; I do not know whether my hon. friend did.

Mr. McGIBBON: The minister apparently does not appreciate my point. This is legislation for the rich. I am not particularly in favour of betting—

Mr. LAPOINTE: This is legislation against book-makers.

Mr. McGIBBON: But it allows the man who can pay an admission fee to bet as much as he likes, whereas the man who cannot afford to pay an admission cannot make a bet. I am not in favour of betting, but I am opposed to legislation which discriminates in favour of the rich.

An hon. MEMBER: If he has no money he cannot bet.

Mr. MANION: The minister has said that he can give the names of certain organizations, and I ask for one or two of those names. I do not dispute the word of the minister, but I would like to know who is responsible.

Mr. LAPOINTE: Would you like me to read the newspaper? I will tell my hon. friend that I am responsible for the bill.

Mr. MANION: The hon. gentleman does not surprise the house by saying that the responsible minister is in charge of the introduction of the bill. I would not however like to be held responsible for all the things for which the minister is responsible. I am asking for information.

Mr. LAPOINTE: If my hon. friend wishes to know at whose instigation the bill was introduced I may tell him that it was at my instigation.

Mr. MANION: Who requested it? The minister stood in the house a few minutes ago and laughed at the proposition contained in his own bill.

Mr. LAPOINTE: Oh no, I never did.

Mr. MANION: His whole statement was made in that spirit.

Mr. LAPOINTE: My hon. friend as usual is carried away by his enthusiasm; he is a very nice chap but he is a little too excitable.

Mr. MANION: I am not a bit more excitable than the minister himself. The only difference between him and me is that I do not write so many of my speeches.

Mr. LAPOINTE: I beg the hon. gentleman's pardon.

Mr. MANION: I do not write so many of my speeches; we can keep cooler when we read our speeches. When the minister reads he keeps his personality to himself, and I could keep mine to myself if I wished to read all I have to say. I am asking the minister for information; I would like to have the names of the organizations to which he has referred. What reason has the minister for refusing to give the information I have requested? He has made the statement that many organizations have asked for this legislation; why does he object to giving the names of those organizations? He says he has read many newspaper articles; so have I, but I did not think the government would introduce legislation every time it read a newspaper article.

Mr. LAPOINTE: I did not say it was because of that.

Mr. MANION: The minister stated he read many articles in the newspapers, but I did not suppose he would introduce legislation every time he read a newspaper article. I again ask for the names of the organizations to which he has referred, and I can see no reason why he should object to giving them. With all due respect I ask for this information. He says there are many; why can he not name some of them?

At six o'clock the committee took recess.

## After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at 6 o'clock we were considering section 12 of Bill 138, which is found on page 9 of the bill.

Section agreed to.

On section 13—exemption from duty to supply medical attendance.

Mr. BISSETT: Mr. Chairman, in connection with section 13 I think we all agree that one of the greatest responsibilities of the state is that which has to do with the protection of children. This section added to the bill will certainly remove the protection all children ought to have in respect to medical care and attention. I have no quarrel with the Christian Science treatment in any shape or form as far as adults are concerned and I do not think members of the medical profession have any such objection. It is not a question of treatment as far as adults are concerned at all; it is simply a question of protecting children, and I object to the proposed amendment as set out in this section.

Mr. BELL (Hamilton): Mr. Chairman, I quite appreciate the position taken by my hon. friend who has just taken his seat, but I desire to record my own approval and support of the section for one reason only. I should think that under all circumstances we would view with great hesitation a section of this kind if it were something that dealt with opportunities to be afforded to people who desire to practise in the way indicated for their own personal profit, but it seems to me that inasmuch as the section as it appears in the bill involves the exercise of the practice of a religious belief, the house should entertain the proposal favourably. I cannot see how otherwise we can conscientiously and consistently support that with which I believe the entire house is in accord, namely that every man and every woman shall be free to practise to the fullest extent those religious beliefs he or she entertains. If it were not for that point, Mr. Chairman, I would view the section with considerable disfavour, but in view of the fact that those who are supporting it and those who, I am given to understand, have asked for it, are people who have entertained the proposals as part of the religious belief which they support, I support it. I believe it to be agreed by all members of this house that every man in this country should be free to practise his own religious belief, whatever it may be, without let or hindrance, and therefore I think the house should support this section.

Mr. MacLAREN: Mr. Chairman, I think there are some serious objections to this clause at it stands. One objection has been referred to by the hon. member opposite, and the point would seem to be whether it does include the children of those who might be Christian Scientists. We would like to have a statement from the minister on that point.

Mr. LAPOINTE: Oh, yes, it does.

Mr. MacLAREN: In that case I am strongly opposed to the section, because while it may be proper to give individual liberty with regard to religious beliefs, if that liberty entails serious danger to children with regard to their life and health it is a very different matter. Therefore I oppose this section on that ground as far as the children are concerned. It is a different matter, in connection with adults, and I am not referring to that at all. The other objection I have is with reference to infectious diseases. No one person is a law unto himself, especially if he is suffering from an infectious disease.

Mr. LAPOINTE: I do not think it would cover that.

Mr. MacLAREN: The clause does not make that clear.

Mr. LAPOINTE: The provincial regulations concerning health and having regard to contagious diseases still would be in force for these people as well as for anyone else.

Mr. MacLAREN: That is not clear from the section. If there is to be a limitation I think it would be well to state it in that clause. The question is whether it will or will not conflict with provincial health acts. I think that is unquestionably a matter which should be cleared up now, when we are considering this section. In any event, I understand that the minister says this does not apply in the case of infectious diseases.

Mr. LAPOINTE: No.

Mr. MacLAREN: How can one draw that inference? How can one judge as to that?

Mr. LAPOINTE: Because this does not amend the dispositions of the criminal code which make it criminal to neglect doing certain things, giving the necessaries of life and the care to children; this relates only to the three sections of the code as they are. As I say, the provincial regulations concerning contagious diseases and any others regarding health certainly will apply, and we have no power to deal with them.

Mr. MacLAREN: I do not think that is very clear. The minister referred to the failure to do certain things. What did he mean? I would say it meant the failure to report infectious diseases.

Mr. LAPOINTE: They would be compelled to do that.

Mr. MacLAREN: In any case, Mr. Chairman, I object on account of children who are not able to judge for themselves, and then I do not think it is clear as the clause stands that it will not apply in cases of diseases that are a danger to the community.

Mr. MANION: There is more than that, if I understand the purpose of the section correctly; but perhaps before I say anything I should make sure that I do understand it. I will get the purpose from the minister in this way. Supposing a child had diphtheria and its parents were Christian Scientists. There is a specific and almost perfect treatment for diphtheria by the use of antidiphtheritic serum. I have no desire to say one word against the religious beliefs of any man or woman, but suppose because of those beliefs the parents of that child are permitted to refuse the giving of antidiphtheritic serum—

Mr. LAPOINTE: If provincial regulations provide for compulsory treatment, they would have to allow the treatment to be given.

Mr. MANION: But that is not compulsory.

Mr. LAPOINTE: Under this section it would not be a criminal offence under the criminal code.

Mr. MANION: While it is quite true that medical men themselves practise Christian Science in the cure of patients, down through the years a number of scientific discoveries, such as the one I have mentioned, have been made for the treatment of disease. This treatment might be advised under provincial law, but I doubt if it would be enforced, and the doing away with a treatment of this kind because of religious belief would not be fair to the child. That is the opinion of medical men who know anything about the treatment of disease. The same thing would be true of other conditions such as tetanus. There is a simple preventive treatment for tetanus, which treatment saved probably tens of thousands and perhaps hundreds of thousands of lives during the war.

Mr. MacLAREN: And typhoid fever.

Mr. MANION: Perhaps that is not quite so specific an example. Pasteur, one of the greatest scientists of the medical world discovered a treatment for the prevention of hydrophobia. Those are the three distinct treatments which I do not think this house should permit even Christian Scientists, or people of any other belief, to neglect to give to children requiring them from a curative or preventive standpoint.

I remember reading a few years ago of some Christian Scientist parents who refused treatment to a child suffering from tuberculosis of

the knee joint. There is a fairly successful treatment for tuberculosis of the knee joint, and not to permit a child to receive treatment because of some religious belief seems to me to be almost criminal. No doubt there are other medical members of the committee who know of scientific methods of treatment for other diseases which are not guesswork or gunshot prescription methods. I wish to place myself on record as being opposed to any legislation which would prevent the proper treatment being given to children who cannot think for themselves. I think it is the duty of those in this house who know something of disease to oppose strenuously this legislation.

Mr. KAISER: Mr. Chairman, I would like to draw the attention of the minister to a few features in connection with this amendment, without desiring to say anything regarding the belief of people who practise Christian Science, or to impugn their sincerity of purpose. A very extended debate would be necessary in order to obtain a full understanding of what this amendment means, but we are faced at once with two or three features. These sections have to do with three classes of persons. The first covers the care of people unable to care for themselves; the second is the obligation of parents towards children under sixteen years of age; but the most important one applies to the guardians of children under sixteen years of age. Those are very sacred trusts, and the bill distinctly says that anything which would tend to produce ill health or death in these particular cases should not be regarded in the light of a crime. Why should one class of people be excluded from these obligations? The bill is discriminatory in its provisions.

The minister says that in the case of diphtheria or smallpox, the provincial authorities can apply quarantine and prevent the spread of the disease. The important point in the application of quarantine is the matter of diagnosis. Who is to say that a child has diphtheria or smallpox? There is only one man can say that, the trained medical expert. Some of the best trained men have been mistaken in the diagnosis of these diseases at their inception. Due to a misunderstanding of all phases of these intricate diseases, they have often swept on and obtained a foothold simply because they were not recognized in time. It is wrong to say that a whole class of a community shall be put in the position of saying that no one shall make a diagnosis or report to the provincial board of health and thereby prevent the spread of disease. The prevention of disease is the result of thousands of years of observation. The march of science has been going on for hundreds and hundreds of years, and has now reached the point where we are enabled, by applied methods, to save hundreds of thousands from disease and disaster. We are now asked to say that all this accumulated knowledge shall be set aside and that a certain section of the community shall have the privilege of allowing conditions to obtain which we claim should not be permitted.

Take the child who has just died of diphtheria, and let me say that no sadder picture can be presented to the eyes of man in these modern days, than to find again "Rachel weeping for her children" when no warning of disease had been given. There is a child that has died. Somebody had not called in a doctor and the child had not received proper treatment. The persons responsible, in order to escape this criminal action, may plead that they believed in Christian Science and nobody knows whether they do or not until they are charged in a court of law. Some modification must be made in this provision before it is put into force, and to my mind it would be better to let the matter stand over for the present. At this stage of the session this amendment cannot be properly considered and it should be delayed until the members of parliament have had an opportunity of examining into it in all its bearings. I would ask that the minister be fair to men of science, men who have devoted their lives to this subject. At my time of life I am not particularly concerned whether I am called to exercise my function as a physician or not, but as one interested in humanity I would plead with the minister to drop this for the present and if he wishes to bring it up at another session when there will be plenty of time to lay the case before the house and the country, then I am willing to take my chances as to whether this amendment will go through or not.

Mr. DONNELLY: If I understand this clause in the bill aright, it means that no one is compelled to call in either a medical man or a surgeon to attend to any case of sickness. If an individual does not call them in. he is not liable for criminal negligence. Many of us who are medical men believe that all cases of sickness and surgical cases should be treated by medical men or surgeons, but there are some of the laity who believe that anyone who is sick or diseased in any way has a perfect right to use his method, whatever it may be, of curing such sickness, or for the

treatment of the disease. We shall not find fault with those who take that view, so long as they are at least of the age of twenty-one years of age and of sound mind, if they are willing to lie down and die from diphtheria or appendicitis without calling in a medical man or a surgeon to attend to them. Many people consider that they have a perfect right to do as they wish in these matters, but on the other hand many contend that grown up people who impose their will upon children of tender years who are not responsible for themselves are going too far in deciding not to call in a medical man in case of sickness or disease. I can conceive, for example, a case of a child who has a broken leg or arm. Under this provision it will not be necessary for persons holding the views to which I have referred to call in a surgeon to X-ray that broken limb, see what is the matter with it, and help to set it right. The result will be that the child will go through life crippled and the parents cannot be punished. I believe if we pass legislation such as this we shall be liable for criminal negligence ourselves. Nothing could be more outrageous; no one in his senses would think of passing a law such as this.

Mr. CARMICHAEL: We have heard speeches by several medical men in the house on this proposed amendment and they would almost give us the impression they are afraid that their craft is in danger; that medical science is going to be seriously interfered with and that perhaps the practice of a physician or a surgeon will be hampered because of the proposed amendment.

Some hon. MEMBERS: Not at all.

Mr. CARMICHAEL: We have listened to several medical men and the tenor of their remarks has all been along the same line, very strenuously opposed to the proposed amendment. The hon. member for Springfield mentioned that the object of medical science was the preservation of life. If we are going to carry that through to its logical conclusion, we had better pass legislation that will make it a criminal offence for parents to be neglectful if their children catch cold, for fear that they may get pneumonia and lose their lives. We had better have legislation to make it a criminal offence for parents to clothe their children improperly or under-nourish them. To my mind it would be just as reasonable to have legislation making that a criminal offence as to make it a criminal offence for any person who has a sincere belief in some other remedy, to resort to it.

[Mr. Donnelly.]

The object of medical science is to heal or cure any disease. I am not at variance with medical science. I do not discount the ability or usefulness of the doctor. I admit there are cases when the doctor can do work that perhaps it is necessary to have done, but along with that I am prepared to state that there are people who believe they can accomplish more by other means than can be accomplished by medical science. I am not a Christian Scientist; neither do I approve the Christian Science doctrine, but I know personally, absolutely, that we have in Canada several religious sects who practise faith healing. They do so on the basis of the Scripture. They believe what the Bible says. They take the simple reading of the Bible, believe what it says, and when they are sick they call in the elders who pray with them, often with favourable results. The people who are sick are sometimes healed, although not always, but neither are all those who are sick, healed who call the doctors. Sometimes sick people who call in doctors die, but the doctors are not penalized because their patients do not survive. If those who believe in some other method of healing and resort to it, are not successful; if their faith does not reach through, I do not see that they should be charged in a criminal court and penalized.

It would look as though this clause were inserted at the instance of Christian Scientists, but I would judge that it was intended to apply not only to that cult but to people of any religious beliefs or persuasions who care to resort to spiritual means for the restoration and healing of the body. If under the criminal code a penalty is to be imposed on those who resort to other means than medical science for the restoration of health and are unsuccessful it is only reasonable that we should have a premium given to those who resort to other means and are successful. If we have a penalty in the one case, we should have a premium in the other.

Just a few days ago—to be exact, last Sunday—I listened to a gentleman in this city preaching to approximately 2,000 people. He was the picture of manhood and health. Yet he told us that just a few years ago he lay at death's door. His heart was broken down, his stomach had refused to function for months, and his intestines had been paralyzed for eighteen months. He had been under the care and supervision of ten different medical specialists, who had done all they could to restore him to health and had finally given him up. Yet that individual through other means than medical science was restored to perfect health and is to-day a perfect speci-

men of manhood. If we allow people to resort to such means as suit them best, I do not think we are violating anything in our legislative enactments. I feel that this amendment is long overdue and that it is something that this house can very well pass.

Mr. McGIBBON: If this amendment was confined to grown up people in a normal state of mind, probably we would not find very much objection to it. But there is a duty imposed upon all legislative bodies, and that is to look after the community at large. One of the great objects of the medical profession to-day is not the cure of disease but its prevention. The prevention of disease is the big thing before the medical world to-day. If you are going to allow people to spread contagious diseases throughout this country without any check at all, I ask the Minister of Justice and the committee, how can you protect the public health? I can give the minister an example from my own experience of a patient who lived in my riding and went to Toronto and died. The corpse was shipped back to Muskoka. I was called to go out thirty-five miles in the country to a lonely part, and there I found ten children sick with malignant scarlet fever, and about three-quarters of them died. That will show you how any contagious disease that is not properly handled and quarantined may produce an epidemic that is destructive to the health not only of the particular family affected but of the public at large. I submit that this house has the duty of protecting the public at large from epidemics that are so destructive to life. I submit, further, that we have no right to allow people to inflict their opinions in these matters upon immature children who have not yet reached the age when they can make decisions for themselves, especially where it is a question of life and death.

This section does not prevent people from employing spiritual means of healing if they wish to do so. Nobody can prevent that. But we do say that people who are responsible for the care of children and those who are not mentally capable of looking after themselves should not be relieved of all responsibility. Less than a year ago I had a case of diphtheria break out in a family, and the father absolutely refused to let me administer antitoxin. Every medical man knows that that is the best and practically the only specific treatment that we have for diphtheria, and if given early enough it will save probably nine hundred and ninety-five cases out of a thousand. I had to report the father of that family to the Minister of Health at Toronto in order to bring pressure enough to bear so that those children could be properly treated. If I had not done so, the disease might have spread to the six or eight other children in the family and might have cleaned them all out. When we get a case of that kind we not only treat the patient but administer antitoxin to every child in the family. I ask the Minister of Justice, is he going to lift the responsibility from everybody for maintaining public health and taking care of immature children and others who are not capable of making decisions for themselves?

I submit that this section is dreadful. I submit, further, that it does not prevent anybody from using spiritual means if they wish to. But people should not be relieved of all responsibility in these matters, and I ask the Minister of Justice very seriously to consider withdrawing this section altogether.

Mr. GUERIN: I am a little astonished that the Minister of Justice should have allowed himself to be inspired by some such deceptive spirit as must have taken possession of his soul when he conceived this amendment to the criminal code. I thought that the Justice department was quite alive—it should be—to the benefits that can come from the judicious application of science, but in this amendment I see an inclination to efface at one stroke all possible succour to people who through ignorance of their own state of health or through an ill-disposition towards others would put the life of the community in danger. I do not look upon this as a question of faith and morals; I look upon it as a matter of the public weal.

I was rather amused at the hon. member for Kindersley reflecting upon the medical profession, fearing that they might lose a patient or two. I would tell the hon. member that if his craft or that of any other member of this house were to carry on its practice with the same abnegation that characterizes the medical profession, people might be a great deal better off and suffer much less. There is too much of a disposition on the part of the laity to ignore the benefits that accrue from medical science. In France formerly there used to be such an amount of charlatanism practised that Moliere in many of his writings makes the physician appear ridiculous, and many people from reading his works are inclined to look upon the medical profession as being influenced more by suggestion than by action. But, Mr. Chairman, we must awaken to the necessities that surround us. We must safeguard our own interest in so far as our community life is concerned. I can readily imagine persons suffer-

ing from tubercular disease of the lungs taking no precautions simply because of ignorance. I can conceive of a person suffering from a mild attack of smallpox walking about the community without the disease being recognized—as was the case, I may say, in Montreal some years ago. On that occasion over a thousand lives were lost because the necessary precautions were not taken in time. This is not a matter to be trifled with at all, it is of most serious moment and I hope that the minister will see the advisability of withdrawing the clause.

Mr. LAPOINTE: Mr. Chairman, I am free to admit that I expected opposition to this section, though not perhaps to the extent that it has developed. My reasons for inserting the section in the bill are to a large extent those which have induced my hon. friend from West Hamilton (Mr. Bell) to support it. During the last few years it has been represented to me that an exception should be made in this case. Since this bill was introduced I have received hundreds of telegrams from all parts of the country congratulating me on this section and urging that it be passed. They feel very deeply—and I can assure my friend from St. Ann (Mr. Guerin) that they are intelligent people and belong to all classes in the community—they feel very deeply that their moral obligation to provide necessary treatment for their children should not be placed in conflict with a legal obligation in a certain way which according to their conscience and even to their religious conviction is not the best form of treatment.

I may say that one of the principal reasons which influenced me is that such an exception is recognized in some way or another in the legislation of almost all the provinces. In Alberta, for instance, the law defining and regulating the practice of medicine provides that:

> Nothing in this act contained shall apply to or affect those who practise the religious tenets of their church without pretending a knowledge of medicine or surgery, and provided that the laws, rules and regulations relating to contagious diseases and sanitary matters are not violated.

In Manitoba an act respecting the welfare of children provides that:

> Any child may be apprehended as a neglected child "whose parent or guardian neglects or refuses, when able to do so, to provide medical, surgical or other remedial care necessary for his or her health and well-being."

In Nova Scotia the law defining and regulating the practice of medicine contains this clause:

> Provided further that nothing in this section shall be construed to prohibit the practice of the religious tenets or general beliefs of any church.

In Ontario the law for the regulation of drugless practitioners provides that:

> Nothing in this act contained shall apply to or affect persons treating human ailments by prayer or spiritual means as an enjoyment or exercise of religious freedom.

Mr. McGIBBON: Those citations do not apply to this case, do they?

Mr. LAPOINTE: No. I stated I was citing them to show that this exception is recognized in the legislation of the provinces.

Mr. McGIBBON: No.

Mr. MANION: Oh, no.

Mr. LAPOINTE: In the way I have suggested.

Mr. MANION: It is very general.

Mr. LAPOINTE: I admit that the clauses I have cited are not exactly similar to this section, but I want merely to show that the religious conviction of those gentlemen, and ladies too, is recognized in the legislation of the provinces.

Mr. McGIBBON: Quite so; but this bill is altogether different, it penalizes people for neglecting to provide proper treatment.

Mr. MacLAREN: Did this clause receive the support of the Minister of Public Health (Mr. King)?

Mr. LAPOINTE: As my hon. friend the leader of the opposition (Mr. Bennett) would say, the principle of government solidarity applies in this case.

Mr. MANION: In the one case where it should not.

Mr. LAPOINTE: However, this is the first time that a section of this nature has been placed before the house, and I think in justice to those who have urged the amendment it is well that it should have been presented to hon. members. We have heard the arguments against the clause, and I am pleased indeed to have received the support of my friend from West Hamilton and my friend from Kindersley (Mr. Carmichael). A campaign of education is perhaps desirable in this matter, and with the permission of the house I will withdraw the section for the present.

Mr. MANION: Mr. Chairman, I entirely agree with the minister's decision to withdraw the section, and I congratulate him upon his decision. But I think a word should be said in reply to what I think was an

unintentional but uncomplimentary remark by my hon. friend from Kindersley. I have the utmost respect for him, largely because of his general fairmindedness upon all questions that come before the house, but he unconsciously, I am confident, twitted a profession which for centuries has been noted throughout the world because of the fact that its practitioners regard all questions concerning health from the public standpoint. I will give my proofs of that in fairness to the large body of medical men in Canada, thousands of whom have sacrificed much of their time for charity. Every advance in the practice of medicine and surgery—and advances have been made in practically all the civilized countries of the world—has been placed at the disposal of humanity free of charge. Take for example, the outstanding discoveries which I have jotted down from memory while the minister was speaking. The discoverer of anaesthesia was a Scotchman, Simpson; of antiseptics, Lord Lister, an Englishman; of antidiptheritic serum, a Japanese; of hydrophobia serum, Pasteur, a Frenchman; of Salvarsan, Ehrlich, a German; of insulin treatment for diabetes, Banting, a Canadian. Not one of those men—and I name only six that came to my mind as I listened to the minister—patented his discovery or derived any monetary advantage from it. I should have made one exception, but I will not mention his nationality. And by the way, our present Deputy Minister of Health is a man who bears an outstanding reputation in this country. I was glad to have the honour to assist in his appointment some years ago. Practically all the advances in public health have been made by medical men and it has been pointed out on many occasions that because of the advances they have made in public health they have been depriving themselves of their own livelihood. Without wishing to delay the committee further may I say that I think the remarks I have just made are due to a profession which certainly deserves to be numbered among the noble professions of the world. I am sure my hon. friend from Kindersley will be one of the first to acknowledge that in my remarks I have merely done justice to the profession.

Mr. CARMICHAEL: I think the hon. gentleman has read into the few remarks I made much more than was placed in them or was ever intended to be placed in them. I am of the opinion that the hon. gentleman has been much more generous towards the profession which he represents than he has been towards the religious sect to which I referred during my remarks.

Section 13 withdrawn.

On section 14—Evidence in trial for manslaughter through negligence.

Mr. LAWSON: Sections 14 and 15 in this bill make such drastic changes in the criminal law that I feel it incumbent upon me to take a few minutes of the time of this committee to point out, particularly to the members of the committee who have not legal training, what the effect of these proposed amendments will be. For this purpose I think it is necessary to state that section 261 of the criminal code, which section 14 of this bill purports to amend, is the manslaughter section, and section 284, which section 15 purports to amend, is what is commonly known as the criminal negligence section of the criminal code. Section 284 reads:

> Every one is guilty of an indictable offence and liable to two years' imprisonment who, by an 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.

It has always been one of the basic doctrines of our criminal law that before a man can be found guilty of a criminal offence there must be mens rea or a guilty mind. May I point out to the lay members of the house that this does not mean that the crown must read the mind of a man who stands before the court? Where, however, a man has been guilty of a wanton disregard of the rights of others a guilty mind or wrongful intent is properly inferred by the court, and he becomes guilty of a criminal offence. Under the section which is proposed the merest civil negligence plus physical injury resulting in death would make a man ipso facto guilty of manslaughter. The same mere negligence plus physical injury, but not resulting in death, makes a man guilty ipso facto of a criminal offence punishable by two years' imprisonment. I fully appreciate that this amendment was designed to affect the drivers of motor cars, but on careful analysis it will be found that the section is more far-reaching in its effect. To illustrate I shall point out one or two instances which have come to my notice.

A returned soldier who had lost an arm at the war was appointed as a gatekeeper at one of the Toronto railroad crossings where there is a great deal of shunting of trains. The man's duty was to raise and lower the four protecting gates at the crossing when the trains were shunting in the immediate vicinity. On the occasion in question he managed to lower three of the gates and had lowered the fourth one from a perpendicular position to a position half way between perpendicular and horizontal when a motor car travelling down

the street went through the gate. A section of the gate touched the top of the motor car when it was passing through. The result was that a shunting freight train struck the motor car and the two occupants were killed. Action was brought in the civil court against the railway company and the jury found negligence. As a result the railway company had to pay damages. On the other hand the gatekeeper was charged with the criminal offence of manslaughter, but the charge was reduced by the crown counsel to an offence under section 284 of the criminal code. Under our law as it then stood, there not being such a degree of negligence as to amount to a wanton disregard of the rights of others, he was found not guilty. Under the proposed amendment however that man would be ipso facto guilty of negligence.

Mr. THORSON: Not at all.

Mr. LAWSON: My hon. friend says "not at all." I could illustrate further, but I do not wish to take up the time of the committee by considering in detail the circumstances connected with the leading decisions handed down by our appeal courts of Canada for the last five or ten years.

I shall state another illustration. A farmer and his hired man went into a field to load turnips, and the farmer drove the horses up to the fence. He and the hired man loaded the turnips, and at the conclusion of their task the hired man was not feeling well, and for that reason he leaned against the tail-board of the wagon with his head resting on his hand. At that time the employer stopped and chatted with him. At the conclusion of their conversation the farmer left the hired man leaning against the tail-board and climbed on to the wagon. With the intention of backing up the team in order to turn them he seized the reins; as a result the team backed up quickly, the man was knocked over and the hind wheel of the wagon went over his leg. It was found that the leg was broken and in the court the farmer was held civilly liable in damages for negligence; because as an ordinary, reasonable and prudent man he should have looked around to see that the hired man was not in the position in which he had left him before he pulled on the reins. Under the proposed amendment I most seriously submit that the man is ipso facto guilty of negligence.

One of the hon. members from the city of Winnipeg who is at times rather dogmatic in his opinions is now of the opinion that I am wrong in my deduction. I shall read the new clause proposed to be enacted by section 15:

> When any person is charged under the provisions of this section with causing grievous bodily injury to any other person by doing negligently or omitting to do any act which it is his duty to do, evidence which is sufficient to establish negligence upon the same facts in a civil case shall be sufficient for the conviction of any such person so charged.

I submit to the hon. members of this committee that it does not require a gentleman of legal training to interpret that section. It is perfectly obvious that, if it is passed, mere negligence plus physical injury ipso facto amounts to a criminal offence, and under section 14 mere negligence plus physical injury resulting in death ipso facto makes a man guilty of manslaughter. I for one, sir, as a lawyer who has had some little experience as crown counsel and also in defending some of those charged under the criminal code, cannot permit these sections to pass without registering my strenuous protest against any such legislation.

Mr. CHURCH: 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. I am surprised at this late stage of the session the minister should bring down a makeshift amendment like this. He has had recommendations from many of the ablest judges in the land as to how these sections might be strengthened. One of the judges refers to these amendments as tinkering with the sections, whatever that means. Section 285 is poorly worded; in the dying days of parliament a short time ago the words "by wanton or furious driving, or racing, or other wilful misconduct, or wilful negligence" were added. That has given reason for some of the judges to hold that in no case can there be criminal negligence unless it is of the peculiar character set out in the words quoted.

We have a large department of justice here; surely they can bring this law up to date. This country is miles behind the mother land in law reform. There is no law reform in Canada at all; a grand jury is not allowed to go into one of our federal institutions, and the officers of the crown are to be judge and jury and everything else. In my opinion the present department needs to get some modern ideas instead of living in the dead text books of the past.

The proposed amendment to section 284 is clearly illegal. The hon. member for West

York has referred to one particular case. In the case of Rex vs. Palmer it was stated in the English court of appeal that there must be some quality of mind expressed in the act of the person before there is a criminal offence, in the absence of wilfulness and recklessness.

In my opinion the minister has not touched even the fringe of the subject. This matter was before the house on March 4 last, when I quoted the opinion of the Chief Justice of the Common Pleas for Ontario, given at the London assizes. He said:

> 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.

The amendment proposed now will mean nothing; it will simply lead to more chaos and confusion than there is to-day along the lines I have stated. The same judge suggested that the words "with negligence" might be added to section 284, but that suggestion has not been adopted either. In England they appointed a committee of both houses of parliament to consider these questions. I have before me the evidence which was taken and the changes which they made to their law. On March 7, 1930, the report was presented to both houses of parliament and a bill was introduced known as the road traffic bill which contained 82 pages dealing with the whole question.

Last year there were 72 people killed on the highways of Toronto through the negligence of automobile drivers. Have the public no right to use the streets; are they to be killed off in this manner? Four times as many people have been killed on the highways of Toronto as were killed at the battle of Queenston Heights many years ago, but here we have a department of justice to which recommendations have been sent by judges all over the country and as far as I can see they are simply pigeonholed. If the minister wanted to be progressive and do something for the public safety he should have appointed a committee of both houses to consider this matter and bring in a proper bill. At the present time a judge can tell the jury that there is no definition of negligence under the code. It is enough to make more judges write letters to the newspapers.

Just here I might quote a paragraph which appeared in the English Review of April, 1930. It is as follows:

> Lord Hewart, Lord Chief Justice of England, has recently published a book under the title The New Despotism. The book is an important one, both because of the high office of its author and because of its subject. Lord Hewart has, quite rightly, refused to accept the idea that a judge is, to use his own words, "condemned to a lifelong and compulsory silence upon the affairs and the interests of the state." The country should be grateful to him for this book and for his criticism of an undesirable but growing tendency in public affairs. His theme is, in the words of his publishers, the exposure of "certain tendencies and methods which threaten to impair the reality of free institutions. . . . . Government departments secure to themselves power to make rules, orders, and regulations without any real and effective control on the part of parliament. They obtain for their orders the force of statutes, and prevent their decisions from being reviewed by the courts of law." The tendency has been developing for a generation at least.

The Minister of Justice has been in England; I think he might have learned something about law reform there. There is no provision here to take care of the hit and run driver, the most cowardly person in the world, who knocks down some little child and then gets away before anyone can catch him. The Ontario Safety League has made recommendations as to how these sections should be strengthened; why did not those recommendations receive some consideration? I introduced a bill last March to amend this section, defining reckless driving and injuring persons by negligence, having to do with hit and run drivers and so on, but I was unable to proceed with it.

There is another matter which might have been considered by the minister in connection with these two sections; I refer to the recommendation of the Chief Constables' Association. I read last February of a case which was brought up at a meeting of that body, where a poor farmer of Tecumseh, in the county of Essex, was injured by an automobile, in which accident his wife and children also sustained some injuries. The driver of the automobile was an American, who said he lived somewhere away down in Ohio. He paid a small fine and got away, and as a result the farmer was out of pocket for the injuries sustained by himself and his family, which cost him something over $700. They had first to find the man, but he had given a wrong name and address. The constables'

association has recommended that in such cases the driver shall be required to give a bond or put up some money before he is permitted to leave the country. Are we to have the children of this country knocked down in this manner?

The Minister of Justice has said that this is a matter of civil rights and comes under the jurisdiction of the provinces, but it is nothing of the kind. I submitted these proposed amendments to one or two of the judges in Toronto who have had considerable experience with this class of case, and they were not in favour of them. The first amendment dealing with the evidence in a trial for manslaughter is clearly illegal, and should it pass the section of the criminal code will be still more inconsistent. The only way to stop this maiming and killing is to impose a stiff penalty and treat them all alike, both high and low.

The code should contain some provisions as to who shall and who shall not drive a motor vehicle. These matters should have been brought before parliament earlier in the session. For the past five or six years these amendments have been brought down during the dying days of parliament, they are hurried through this house and sent over to the Senate. That is not the way to protect life and property on the highways of this country. The time has come when something will have to be done. In my opinion, the minister should appoint a commission composed of three or four judges to consider the present inconsistencies in the criminal code. The way the law is to-day, the public is not protected. A man can knock down another man and kill him, obtain bail and be tried for negligence, and in ninety-nine cases out of one hundred he will get off. This matter has been the subject of inquiry by coroners' juries, by judges and by grand juries, and it is considered to be a menace and peril to the country.

It would be far better if these sections were not amended, because they are made still more inconsistent. It is hard enough now for a judge to know what is meant, without adding further inconsistencies. The practice which prevails in England should be adopted in this country, and the bill should be circulated throughout the country and criticism and discussion invited thereon. This haphazard method of bringing in amendments should not be allowed to continue. A word is changed there, a comma is added there, and the result is more disorder than ever.

[Mr. Church.]

Mr. BELL (Hamilton): Mr. Chairman, I desire to add my protest to that already voiced by the hon. member for West York (Mr. Lawson) against sections 14 and 15 of this bill. It will be noted that in each of these sections the test of criminal liability is the giving in court of evidence sufficient to establish negligence, upon the same facts as in a civil case. I cannot say what effect that will have in some provinces, but in the province of Ontario its effect would be rather disastrous and its application would be most onerous and unreasonable.

For example, in all cases governed by the Highway Traffic Act of the province of Ontario, where a pedestrian is struck by an automobile, the direct burden of proof is put upon the driver of the automobile to establish that he was not negligent. If the wording of the present proposed sections were made applicable, it would mean that every motorist would have cast upon him the burden of establishing his innocence in a criminal charge brought under these two sections. That is absolutely repugnant to the spirit of British justice and fair play. It has always been conceded that whatever burden might be cast upon a man to show himself innocent in respect of any difficulty in which he was involved, should be a civil condition only, and no man should ever be put in the position of having to prove himself innocent of a criminal offence.

In the province of Ontario, and perhaps it is common to other provinces, we have certain by-laws which, having been passed, are invested with the force and effect of statutes. For example, there is a rather general provision that certain municipalities may designate what are known as stop streets. If a man passes a stop sign and enters on to a through street, he is adjudged guilty of negligence. Shall we say that such a man becomes a criminal under the criminal code in like circumstances? That would be the necessary and inevitable effect of the passage of these two sections.

There are many cities which have enacted by-laws providing that certain motor vehicles must not approach nearer to the curb of the street than five feet. Shall we say that the man who operates a motor vehicle which strikes someone who is within four feet of the curb is a criminal, but the man who strikes someone within five feet and a half of the curb has no liability? That would be the only possible effect of the adoption of sections 14 and 15.

It has become a matter of litigation in our courts as to whether or not civil liability attaches in cases of breach of that section of the Highway Traffic Act which provides that every automobile must carry a tail light visible at a certain distance to any other motor vehicle or a vehicle of any kind approaching it from the rear. The Supreme Court of Canada has found itself unable to solve that question satisfactorily—I refer now to the Hall versus Guelph case—as to whether or not there was negligence in the case of a man who operated a motor vehicle which had its tail-light burning in compliance with the law when he started on his trip but the tail light of which had gone out without his knowledge before he concluded his trip. That was the decision in the case to which I have referred and which went through the Supreme Court of Canada. Under this provision shall we say that a man who starts out with a light properly equipped, who has made every test for safety to himself and the rest of the travelling public, shall be made a criminal because the lamp which he has properly lighted has gone out without his knowledge before the conclusion of his trip? Under sections 14 and 15 of the bill, that would be the inevitable result for him. The only possible effect of embodying in our criminal code those provisions to which I now allude would be the unfortunate one of making the laws so onerous, bear so hardly on innocent men, that juries would refuse to convict. We have seen enough of that sort of thing from what happens south of the line. We do not desire that our criminal laws shall bear so severely that people will resent the spirit of them and refuse to enforce them in the courts of the land. I ask the minister to give this matter further consideration. He knows I am making these suggestions to him earnestly and to the best of my ability and I trust he will pause before proceeding further with these two sections.

Mr. LAPOINTE: These two sections have been inserted in the bill to meet the demand of the authorities of Ontario; as a matter of fact it is the Deputy Attorney General of Ontario who has been insistent on what he claims to be the need of improving the law in this regard. As the opposition to the bill is so strenuous, and coming especially from my brethren of the legal profession in Ontario, I am quite willing to withdraw the two sections.

Sections 14 and 15 dropped.

On section 16—Driving while under the influence of liquor.

Mr. LAWSON: I do not want to be in the position of opposing every section in the bill, but may I direct the attention of the minister to the tremendously far-reaching effect of the amendment proposed:

Every one who, while under the influence of intoxicating liquor.

The minister is probably well aware that the old section read:

Every person who is intoxicated.

By a series of decisions those words have been defined. We know what they mean. Now we bring in a much wider term "under the influence of intoxicating liquor." Has the minister considered what that term means? I presume, from a physiological standpoint, I am now under the influence of a glass of wine that I had with my dinner.

Mr. LAPOINTE: I do not think my hon. friend would be.

Mr. LAWSON: Perhaps on account of the sensitive nervous system of the Minister of Justice, he may be under the influence of a glass of wine he had with last night's dinner. I would respectfully ask: Is there any advantage in this change, which is bound to cause a tremendous amount of confusion, a change which creates a new term which has not been defined, although the law seems to be very well and strictly administered under present provisions by our police magistrates and fully covers the case of a man who is in charge of a car while intoxicated?

Mr. SMOKE: I would point out that by adopting such legislation as this we are subordinating our jurisdiction to that of any one of the nine provinces that might be so unwise as to pass some foolish law. I am quite sure the Minister of Justice has no intention of placing the administration of justice in criminal matters under the jurisdiction and power of any provincial legislature.

Mr. LAPOINTE: I am quite willing to restore the word "intoxicated" instead of "under the influence of intoxicating liquors," if that meets the views of my hon. friend.

Mr. LAWSON: Thank you.

Mr. LAPOINTE: The other amendment, paragraph (a), is asked for by the prosecuting authorities of the province of Ontario. I suppose there is no objection to that.

Mr. LAWSON: I have none.

Mr. STEWART (Leeds): There is some objection to that.

Mr. LAPOINTE: I move that the word "intoxicated" be substituted for the term "under the influence of intoxicating liquors." That will make the clause read as it was formerly.

Mr. HANSON: The minister is about to amend the first part of the section, putting the law back as it was before. I have a good deal of sympathy with the proposal as drafted, but I have no strong opinion on the subject and I am not going to oppose what it is proposed to do now. With regard to the penalty, I agree there is necessity for increasing the penalty in these cases, but greater discretion should be placed in the hands of the magistrates. My experience is that these cases usually come, on summary conviction, before a police magistrate. As paragraph (a) is now drafted, the minimum is thirty days. It seems to me that the magistrate should have a discretion up to a maximum and a smaller minimum. That is the suggestion I have to offer to the minister. Imprisonment for three months is a pretty stiff penalty for driving a motor car while intoxicated. My suggestion to the minister is that that be left as the maximum, but that the minimum be reduced.

Mr. BROWN: I have a good deal of sympathy with the bill as originally drafted:

> Everyone who, while under the influence of intoxicating liquor or any narcotic, drives any motor vehicle or automobile.

It is recognized now that alcohol and high-powered motor cars make the worst kind of combination, and it has been shown conclusively that the man under the influence of the first drink is perhaps the most dangerous. The most dangerous man is not the one who is completely incapacitated. The most dangerous one is the one who perhaps thinks he is in a position to act quickly. Anything that destroys a man's ability to act quickly, perhaps by just a fraction of a second, makes the difference between an accident and safety. Just as the man who has taken one or two drinks is a bigger nuisance than the man who is dead drunk in the gutter, so it has been pretty conclusively proved that the most dangerous man on the highway is the one who has had just enough not to incapacitate him altogether, but to destroy his ability to act quickly in an emergency. For my part I am willing to have the law made as severe as possible against the man who, having indulged in intoxicating liquor, undertakes to drive a motor car.

Mr. BELL (St. Antoine): As regards the proposed amendment, I think the section as drafted is altogether too severe. Under these words "or has the care or control of a motor vehicle or automobile," there have been in Montreal cases where people have been compelled to go to gaol. I remember one instance in particular of a man who came out of a club and stepped into his motor car. He felt that he had been imbibing too freely to drive the car. He sent down to the garage to get a helper to come up and take his car to the garage, but when seated in his car, waiting for the helper, he was arrested by a police officer and later sentenced to gaol. Is that justice? I know of another case of a very prominent Montreal doctor who came out of a private house and as soon as he came out some person had in the meantime reported him as being intoxicated. He stepped into his car in front of the house. He was then arrested by a couple of police officers, but fortunately for him, in some manner or other, he got out of it. But that is the law, and it seems to me that it is not the right kind of law to have on our statute books. Under the section, if a man has "the care or control of a motor vehicle whether it is in motion or not," if he should be even found in his car, harming nobody, but just sitting there realizing that he is too intoxicated to drive his car, and he sends for another man to drive it, he has to go to gaol if some police officer comes along and arrests him; and they call that justice. I cannot see it. Personally I think the clause even as it stood before the proposed amendment is too drastic. It is not the kind of law that any Canadian citizen should be subject to and condemned to a gaol sentence.

Mr. LAPOINTE: I must say that up until this evening I have always been receiving complaints and representations that the law concerning motor car accidents was not strict enough. Complaints come from everywhere that the law should be made stricter. As far as the clause referred to by my hon. friend is concerned, it is already in the law, and I am not changing it at all. The only change that I was proposing was to substitute the words "under the influence of intoxicating liquor" for the word "intoxicated." This has been requested by many people, but in view of the objections I have withdrawn it. So far as paragraph (a) is concerned—

Mr. HANSON: I find that paragraph (b) covers the point that I had in mind.

Mr. LAPOINTE: Yes, and I will give my hon. friend the reason why it is there. As it is, if a man is prosecuted for having caused bodily injury, the jury cannot convict him for any lesser offence, but with this amendment the offence may be reduced to the one provided for in section 16.

Mr. HANSON: Then I have no objection.

Mr. STEWART (Leeds): I think there is some objection to the choice which the prosecuting attorney will have. On a certain set of circumstances one prosecuting attorney may decide to proceed by way of indictment; on the same set of circumstances another prosecuting attorney may decide to proceed by way of summary conviction, with very different results in the two prosecutions. It seems to me that the object could be accomplished by increasing the penalties but not leaving it open to the prosecuting attorney of his own motion to decide which course he shall adopt, whether to proceed by indictment or by summary conviction. We have a similar provision, as I recall it, in the Narcotic Drugs Act, where for a very serious offence, posibly long continued violation of the law, there is the right to proceed by indictment, whereas in the same act there is the right to proceed by way of summary conviction. It seems to me this is leaving the door open to possible abuse by a prosecuting attorney who, even with the best of intentions, might in one case to-day decide to proceed by way of indictment and to-morrow proceed by way of summary conviction, with very unequal results to two offenders who are really guilty of the very same offence.

Mr. LAPOINTE: I am afraid that the object which we have in view cannot be achieved otherwise than by this means. As I stated, it is to enable the court to reduce the offence if it believes that the charge of causing bodily injury is rather too serious a one for the case. It could not be reduced to an offence punishable upon summary conviction. I think my hon. friend understands what I have in mind. I really believe that this will be an improvement.

Mr. STEWART (Leeds): Let us assume that the prosecuting attorney decides to proceed by way of indictment. Do I understand the minister to say that upon a prosecution by way of indictment we can come down to the penalty that is imposed under paragraph (b) for summary conviction?

Mr. LAPOINTE: No.

Mr. STEWART (Leeds): That cannot be done. So it all depends upon the whim or the decision of the prosecuting attorney whether on the same set of circumstances a man shall incur a penalty not exceeding three months and not less than thirty days, or whether he shall incur a penalty not exceeding thirty days and not less than seven days —very different penalties for what after all is the same offence. I have great respect for the prosecuting attorneys of the province of Ontario as I know them, but it seems to me that this is placing them in an unfair position. It is placing upon them the burden of deciding in a particular case against a particular individual whether to proceed by indictment or by summary conviction. We do know that all culprits may not look alike, may not be of the same standing, may not appear to the county attorney in just the same way; but it does seem to me that as this is drawn it is bound to result in inequalities and in some cases in injustice, or at all events it will give rise to the feeling that someone else has had a much better deal in the same set of circumstances.

Mr. CHURCH: This particular section might just as well be withdrawn too. Only the other day a small newsboy, nine years of age, crossing the highway to sell a man a paper was knocked down. I have a list here of twenty-six juries which presented recommendations last year for more drastic laws along this line, and if this is the best the minister can do, I suggest that he withdraw the section altogether. He might as well present these offenders with a watch and an illuminated address.

Section agreed to.

Sections 17 to 38 inclusive agreed to.

On section 39—Shorthand notes of proceedings and evidence.

Mr. LUCAS: During last session I brought to the attention of the Minister of Justice the question of amending section 236 of the criminal code, under which agricultural fairs are allowed to operate games of chance, and the minister promised to give it his attention at this session. I have read the bill but I fail to see any section for this purpose.

Mr. LAPOINTE: In what way was my hon. friend suggesting an amendment of the section?

Mr. LUCAS: In section 236 the minister will note that a special privilege is granted to agricultural fairs to operate games of chance on their grounds. This is an offence if practised elsewhere. There is a very strong feeling in western Canada that this privilege should be withdrawn, because agricultural fairs are primarily conducted for the purpose of developing agriculture, and the federal grants made to those fairs should be used for educational purposes. We find that the farmers' sons instead of devoting their time to the judging of the stock and getting the

full educational benefit from it have their attention distracted by these games of chance, the proprietors of which make a handsome profit without giving any corresponding benefit in return. Resolutions have been passed by our local organizations asking that this section be amended so as to prevent gambling at these fairs.

Mr. LAPOINTE: I do not know whether my hon. friend was a member of the house when this amendment to the criminal code was enacted a few years ago. I am almost afraid that my colleague the Minister of Agriculture (Mr. Motherwell) is largely responsible for it; it was asked for by the Department of Agriculture as a means of encouraging agricultural fairs. The amendment was debated by the house at considerable length before it was adopted. I would not feel at liberty to propose any change at the present time, but I shall be pleased to submit my hon. friend's request to those who asked for that amendment.

Mr. LUCAS: I have also had a large number of requests from fraternal organizations, as I believe have several other members, asking that this privilege be extended to them. Personally I am in favour of withdrawing the privilege from agricultural fairs; but if this is not done I see no reason why a similar privilege should not be extended to the fraternal organizations. If the minister will not consent to withdraw this privilege from agricultural fairs, I would ask if he can give any good reason why it should not be extended to fraternal organizations.

Mr. LAPOINTE: My only good reason is that I have always thought an amendment of this kind would have no chance of going through parliament. As far as I am concerned I am free to admit to my hon. friend that I would have no conscientious objection, or in fact any objection, to the change that he proposes; but when the section was first discussed in the house there was a strong feeling against extending facilities for these games of chance. However, if my hon. friend could persuade me that a majority of the house would support his request I would have no hesitation in helping him. But I think the whole thing should be carefully considered, and perhaps we might postpone such consideration to a future date.

Mr. GEARY: I would suggest to the Minister of Justice that if he is going to continue to the patrons of agricultural fairs the privilege of spending their time and their money trying to find which shell the pea is under, and that sort of thing, he should take into consideration the desirability of seeing that no previous knowledge is given of the game and that the winning odds are not published afterwards—precautions that apparently he thinks so necessary in other cases.

Section agreed to.

The CHAIRMAN: Section 11 was allowed to stand.

Mr. LAPOINTE: Yes, at the request of my hon. friend from West York (Mr. Lawson).

On section 11—Broker reducing stock by selling for his own account.

Mr. LAWSON: Mr. Chairman, this section, I believe, was recommended by the conference of attorneys general, with the exception of the representative of the province of Quebec who, I understand, did not take part in it.

Mr. LAPOINTE: Is that so?

Mr. LAWSON: That is my understanding. The object of the section was to prevent brokers selling stocks short. I realize that in the present state of public opinion it would be a hopeless task for me to advocate its withdrawal. However, I do want to put myself on record as being opposed to it in the interests of the public themselves, but I am not going to take the time of the committee to advance any argument in that regard.

I wish to draw the attention of the minister to the words in the latter part of the section:

> —if the effect of such sale shall otherwise than unintentionally be to reduce the amount of such shares.

And so forth. That phrase is unknown in all our legislation with respect to criminal offences. I would submit that, instead of the words "otherwise than unintentionally" we should use the words "with intent," which are always employed in connection with criminal offences. I asked to have the section left over because of the very able argument advanced by several hon. gentlemen on both sides of the house when we were dealing with the criminal negligence section that there should be intent in order to constitute a criminal offence. Now I submit to the minister for his very serious consideration the substitution of the words, "with intent," for the words "otherwise than unintentionally." The minister will no doubt be concerned as to whether the public would be protected if these words were changed. May I point out to him that every province in the Dominion of Canada, with the exception of the province of Quebec, has now adopted and enacted a uniform act known as the Security Frauds Prevention Act,

for the control of the brokerage business. In section 21 of that act is contained the very provision which is in this code making it an offence under the provincial statute punishable by a minimum fine of $1,000 and an optional imprisonment of six months for a first offence. In addition thereto under the provincial legislation there are additional clauses which give to the customer of any brokerage house the right to repudiate his entire transaction with that house and to obtain his money back if the broker is guilty of making a short sale. That is what is intended by the section. As I pointed out, the proposed section goes much farther. For instance, if I am a director of a large brokerage house in Canada—and I have in mind one of those houses with twenty-six or twenty-seven branches—because I happen to be a director of the concern, although I may take no part in its operations, I am prevented from making a short sale in the market. It may be that some customer of that brokerage house in New York city has purchased a stock of the same class and kind that I as a director am selling short on the Canadian market. As I said, I realize that it would be unwise under present conditions to ask that the section be withdrawn. I feel however that the minister will agree that we should preserve that which has always been a cardinal principle in our criminal law; there must be intent.

Mr. LAPOINTE: I appreciate the viewpoint expressed by my hon. friend, and I take this opportunity to congratulate him on the clarity with which he has discussed this bill. I feel sure that he will understand my position when I say that we have thought it better to adhere to the language suggested by all the provinces. There may be two or three words which we would have liked to change, but I think on the whole it is advisable to leave the section as the provinces have desired it to be left.

Mr. CHURCH: On March 4 the Minister of Justice promised that when this bill was presented I would have an opportunity to bring in one or two amendments, and on that occasion he asked me to let my amendments stand. In Ontario some of the judges have apparently disregarded the respective rights of judge and jury. In some cases the judges have made comments on the verdicts rendered by juries, and have made unfortunate remarks in regard to the way the juries dealt with the evidence before them. With these facts in mind I think some amendment should be made to the criminal code. I would suggest the following amendment:

It shall be the duty of the presiding judge to record and enter the jury's verdict without comment thereon.

This is a practice which has become prevalent throughout the country, and as a result it is difficult to obtain men to serve on jury panels. The functions of a judge are defined by law; they are set out by precedent and by statute. There is no legislative authority for a judge to criticize the action of a jury. He sits in the capacity of a presiding judge; both judge and jury have functions to perform. I think however that at the present time the judges are going altogether too far, and this applies to some of the recent appointees in the province of Ontario. They are overstepping the line which separates the function of the judge and that of the jury. I understand there are some common law references to this matter; the English judges do not attempt to encroach upon the duties of the jury, and in my opinion Canadian judges should take a similar attitude. In fact, under our wonderful new status, now that we have a status of our own, I doubt very much if the judges should be addressed as "my lord" or "your lordship". I understand all these old obsolete laws have been repealed, as have been the forms and usages in connection with them. Something should be done by the minister to check this growing practice of invading the rights of the people. In my opinion judges have no legislative authority from this parliament to make either favourable or unfavourable comment in connection with a verdict once it has been rendered by a jury. With these facts in mind I ask the minister to accept the amendment I have proposed. In the province of Ontario the jury system has been assailed by three or four judges. I shall not take the time of the house to give details, but I wish to say that their remarks have been entirely out of order. I would like to know whether the minister will accept the amendment or whether it is his opinion that anything should be done in connection with this important question.

Mr. LAPOINTE: I am afraid the suggested amendment cannot be accepted. It almost amounts to a reflection upon the judges. Apart from that I think the judges have a right, if they wish, to send juries back to reconsider their verdicts. I wonder how a judge could take that action without first addressing some remarks to the jury. I do not think the proposed amendment can be considered.

Mr. CHURCH: Very well, I shall withdraw the amendment, temporarily.

Amendment withdrawn.

Mr. CHURCH: The subject matter of the second amendment is contained in Hansard of March 4. In amendment I move that the following words be added to section 41:

The grand jury of any county in which a penitentiary is situated may visit, view and inspect the same and make a presentment of any recommendation they see fit, notwithstanding the provisions of the Penitentiaries Act, chapter 154 of the revised statutes of Canada, 1927, or of any law, custom or usage to the contrary.

This matter is referred to in Hansard of March 4. Within the past few days public attention has been directed to the case of two young boys who were sentenced to imprisonment in one of these institutions, and it has been proved that they were wrongfully sent there. I wonder if there are any others like them down there. How many great penal institutions are there in which innocent people are incarcerated. In Hansard of March 4, 1930, I find the following:

In Hamilton, two sane men for several years were in the asylum and in one case in York county girls were found without food and shelter, in a dungeon below ground, this being a punishment for some minor offence. The chief justice in addressing the grand jury said:

"I am in accord with your views as to inspection of these penitentiaries. Such inspection is in accord with that great principle in the administration of justice which for centuries has been applied and was confirmed by Magna Charta, namely, that the people shall have a large share in the administration of justice in criminal cases.

Whether penitentiaries are well or ill managed they are managed altogether by crown officers; and the management of them is a thing of much importance in the administration of the criminal laws so much that assuredly the people should be entitled to some means of learning for themselves what the crown officials are doing and how it is being done.

The grand jury, representing the people of the judicial district, can most conveniently, and at no cost, perform for the people the duty of visitation.

But one matter of detail I mention, because it seems to me that it should receive consideration.

In some counties there may be five grand juries in a year. Let me suggest that their power be limited thus: say twice a year."

These institutions have been managed by the crown and while there is no complaint as to the way they have been run I think it is in the public interest that they should be visited by the grand jury. The minister has said these are provincial institutions, but that is not so; they are established under the criminal code, and the officials are appointed by this government, which maintains the institutions. No one knows what is going on there. Are there any more innocent people in these places and, if so, how did they get there? It is the right of the grand jury to go through provincial institutions in the same way. There was a big fire in one of these places across the border a short time ago because the proper inspection was not carried on. Are we just to take some person's word for it that everything is all right? We will have more reforms if we have the grand jury go to these places once or twice a year and make a presentment to the court. The grand jury represents parliament and the people; it is an old institution and should be allowed to go through these places and make inspections.

Mr. LAPOINTE: The hon. gentleman has proposed an amendment of this kind where, if it should be desirable, it should be made; that is, to the Penitentiaries Act. That amendment did not meet with favour in the house, and properly so, because after all provincial institutions must not be under federal control. Our officers have no jurisdiction in the provincial gaols, and grand juries, which are provincial bodies, do not have and should not have jurisdiction in federal institutions. Why should the grand jury in the county of Laval have jurisdiction over the penitentiary at St. Vincent de Paul, when the other grand juries in other sections of the province would have no such jurisdiction? Why should the grand jury of Frontenac county have a special privilege or duty with regard to the penitentiary at Kingston which would not belong to the other grand juries in other sections of Ontario? I do not think the amendment is workable; it has been debated in the house and settled.

Amendment withdrawn.

Bill reported, read the third time and passed.

## SUPPLY—PEACE RIVER RAILWAY OUTLET

### AMENDMENT TO MOTION OF MINISTER OF FINANCE FOR COMMITTEE

The house resumed from Monday, May 5, consideration of the motion of Mr. Dunning for committee of supply, and the amendment thereto of Mr. Kennedy.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, when the house adjourned while we were discussing the amendment to the motion to go into supply, I had been speaking with reference to it. The amendment was to the effect that immediate steps be taken to implement the

pledge alleged to have been given by the Prime Minister at Edmonton in November, 1924, with regard to the Peace river outlet, and as I recall it the alleged pledge was to the effect that this outlet should be decided upon and a railroad constructed as soon as was humanly possible.

If I remember correctly I had mentioned that at the time of making the speech referred to, I had said that so far as the government was concerned we were confronted in this parliament with, to say the least, some uncertainty as to what might be possible with respect to railway legislation, inasmuch as some of the railway legislation which we had introduced had failed to pass the other house and we were without a majority there. However, this evening I do not wish to delay the committee, and perhaps I can satisfy my hon. friend as to the government's intention in the matter if I say to him that since this amendment was introduced I have had a personal interview with the president of the Canadian Pacific Railway Company and the Minister of Railways and Canals has interviewed the president of the Canadian National Railways. Both presidents agree that in their view it should be possible for some appropriate outlet to be agreed upon within a period of possibly six months, and I understand they have their surveyors at work with a view of determining a suitable route.

The president of the Canadian Pacific Railway Company mentioned that a joint survey of the natural resources of British Columbia had been undertaken last year at the expense of the government of British Columbia, the Canadian National Railways and the Canadian Pacific Railway Company, which was done in consequence of a suggestion made by him to the provincial authorities. It is expected that the result of that survey will shortly be made available. Not long ago the provincial government asked that the work should be continued to include the Peace river block recently transferred from the Dominion to the province, and the Canadian Pacific Railway Company and the Canadian National Railways each undertook to pay one-third of the expense. When the president of the Canadian Pacific Railway Company was in the west last fall with the directors of the company he gave an assurance that this year the Canadian Pacific Railway Company would undertake a detailed survey of the possible routes for the outlet with a view to ascertaining which was the more feasible, and also to settle the question whether a crossing of the Peace river at Hudson's Hope can be made. The president of the Canadian Pacific Railway Company mentioned to me, in the course of our conversation, that he thought this work should be completed within the course of the next few months, and he stated also that he felt that he and the president of the Canadian National Railways should be able to get together and decide upon the route. He was of the view, which I understand is held also by the president of the Canadian National Railways, that the work should be undertaken jointly.

Now, Mr. Speaker, may I repeat what I said the other evening, that in the opinion of the government it ought to be possible for these companies to agree upon a route within six months and to have work begun within a year on a railway which will afford an outlet from the Peace river district to the Pacific. I will say that if they do not make a beginning within a year and the present administration should be in office at the end of that period, we will undertake to find a way or make it for the beginning of the construction of a railway line from the Peace river district to connect with the Pacific via some other railway line or otherwise. Under these circumstances, perhaps my hon. friend will feel that it is unnecessary to press his amendment any further. I said that the government would accept his amendment. To accept an amendment to the motion to go into committee of supply may seem contradictory, but I was anxious that the government should not be put in a position of appearing in any way to be unwilling to implement to the full any promise which has been made, either directly or indirectly. I hope that what I have said will be satisfactory to my hon. friend.

Mr. BRADY: The right hon. the Prime Minister realizes the importance of having a survey made and he states that within six months there should be definite information at hand as to what is to be the outlet from the Peace River district to the Pacific coast.

Mr. SPEAKER: I think the hon. gentleman has spoken once already on this debate.

Mr. BRADY: I would like to ask a question of the Prime Minister.

Mr. SPEAKER: By unanimous consent of the house.

Mr. BRADY: The right hon. gentleman says that this outlet is to be undertaken jointly by the Canadian Pacific Railway and the Canadian National Railways, and he states that if within one year this work is not accomplished the present government, if in power, will accomplish what the united efforts of these two organizations may fail to accomplish. Does

the right hon. gentleman believe that the engineers of these two companies will be so impartial as to settle once and for all this problem of an outlet to the Pacific coast?

Mr. MACKENZIE KING: I am afraid my hon. friend has been hearing either more or less than I actually said. What I did say was that it was desirable that the work should be undertaken as a joint undertaking. I did not say that it necessarily would be so undertaken, but that the presidents of both roads felt it was desirable that it should be undertaken as a joint undertaking. I was endeavouring to anticipate every possible contingency, and so I said that if a start were not made by the railways jointly, or one of them, within a year, and the present administration were in office at that time, we would find a way or make it to have a start made in the construction of a railway.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman shall have leave to withdraw his amendment?

Mr. KENNEDY: I understand that there is some objection to the withdrawal of the amendment.

Mr. MACKENZIE KING: There is no objection, if the hon. member does not object.

Mr. SPEAKER: Is it the pleasure of the house that the hon. gentleman shall have leave to withdraw his amendment?

Amendment withdrawn.

## SUPPLY

### INDIAN AFFAIRS

Indians—Ontario and Quebec, $448,485.

Mr. MALONEY: Mr. Chairman, the total vote for Indians in Canada amounts to over $5,000,000. I have not one word to say against the administration of the Indian department because I believe that the minister in charge and his deputy are doing everything possible for the welfare of these people. However, has not the time come when we should consider the Indians of Canada as being no longer wards of the government? These boys and girls are given a fairly good education, taught a trade, and they leave the reservation and should be permitted to grow up as we grow up, to become real citizens of this country. In the county of Renfrew we have an Indian reserve. During the past five or six years many boys and girls have left that reserve after having been educated, rightly so at the expense of the government, have gone out into the world and have made good. If we could arrange that Indians throughout Canada could receive an education or training in a trade and the government would keep on placing these boys and girls where they should be placed, surely at the end of at least a generation we might be saved a great deal of money which we are spending from year to year. This money is often spent very foolishly. Indians who have lived on the reserves return there, many of them living absolutely in idleness, depending on the few fish they may be able to catch or the few game they may be able to corral. If the government would take this matter in hand, the time would come when these large amounts, like the $5,000,000 that we have been asked to vote to-day, would not be required and the Indians would be as good people as any others in this country.



Mr. CHURCH: If these Indians were good enough to serve in the great war in large numbers, why are they not good enough to receive the citizenship of this country? While we are bringing in immigrants from all over the world, the red man has no rights in Canada. His rights, privileges and land are taken away from him and the agreements we have made with him are being broken.

Mr. STEWART (Edmonton): My hon. friend surely does not appreciate the fact that the Indians happen to be the wards of the government and they are so by treaty. We have to deal with a situation that came about by the evolution which took place when the white man came and established himself in this country, and out of that grew the system of placing the Indians on reservations. Year by year I frankly confess that I have strongly advocated larger expenditures of money on these people.

May I say to the hon. member for South Renfrew that we are doing a great deal of work in educating the Indians. In this regard much credit is due to religious organizations that are carrying on this work. Possbily it would not be carried on so reasonably as it is were it not for the fact that they do the education work. We have been providing, during the last five or six years since I came into my present position, the necessary schools and equipment for the education of the Indian children. The department have lent every assistance possible towards educating and encouraging the Indians to take enfranchisement and to become citizens in the real sense of the word. That is not urged upon them, but it is a privilege they may accept if they are in a position to do so. Therefore in every way we are endeavouring to educate the

Indians and I should like, if funds were available, to carry the work even further, to give technical education, to train these young boys in trades after they secure, as they do, a good common school education in their own schools in every province. But this will require more money. Year by year we have to vote more money. Since fur has become so valuable in this country and the white man has become active in trapping animals and securing their furs, it has been much more difficult for the Indians to obtain a livelihood. For that reason we have to spend more money on them, for relief, for medical attention and for what, undoubtedly, the country and the government owe to our aborigines. I believe we are not spending enough money upon the Indians, but I realize one must keep within reason in asking for the necessary funds to carry on this work. We shall, however, have to spend more money in giving the Indians better medical attention in the future than we have done in the past and I make no apology for asking these sums of money for Indian work in Canada.

Mr. SIMPSON: Can the minister give any information as to the intention of the government with respect to the erection of a new building to replace the old Shingwauk Home building?

Mr. STEWART (Edmonton): I am sorry my deputy is not with me at this moment, but I may say that we are as quickly as possible replacing old buildings with new and modern ones, and erecting new buildings where they seem to be required for Indian educational work. My deputy will be here in a few minutes.

Mr. SIMPSON: They are carrying on at present in a building that has been in existence for a period of upwards of fifty years. It is not modern at all.

Mr. STEWART (Edmonton): I have it in mind. I cannot say whether it is in the program for this year or not.

Mr. MANION: I would like to refer to the question of the fire extending from the Indian reserve at Fort William into the park. The minister is quite familiar with the facts and it is some time since I put them on record in a letter to him. The minister's deputy takes the attitude that the parks board which asks for assistance in the putting out of that fire has not a just claim inasmuch as the Indian department, although admitting that the fire started on the reserve, contend that they have already spent, I think, some $3,500 in assisting the Indians in fire protection. I am informed that $3,500 was spent on an absolute necessity in the shape of fire protection which should have been put in long before, and it has no effect so far as past accident is concerned. I wish, without delaying the committee at all, to impress upon the minister once again what I have done in private and by letter, namely, that I believe the parks board, which has had a very difficult time getting along and which has suffered because of the fire extending into their park from the Indian reserve, should be given consideration by the minister and some assistance towards at least the expenditure made by them for the upkeep of the volunteer fire fighting force—it is only a matter of about $700—should be given by the department of Indian Affairs, in spite of what my good friend the deputy minister states in regard to the matter. I trust the minister will look into this once again and endeavour to see that the parks board receive this assistance. It can be done without delaying the matter at the moment and without any special vote. I presume there are in the Indian department as in other departments votes out of which a sum of $700 or $800 could be taken. I am not speaking for what little political effect this might have; I am speaking very seriously because I think the parks board have a just case. I feel the minister thinks they have a just case and I hope he will see they are given some assistance in regard to the matter.

Mr. STEWART (Edmonton): I am familiar with the subject the hon. member has brought up. It is one upon which we have not reached decision. I have had inquiry made and I may say the report is not particularly favourable, but I think my hon. friend is correct in saying there may be some claim and I will look into the matter again.

Mr. MANION: I think in this case the minister's deputy is a little too economical for the department and he should let down the gates in justice to the parks board of Fort William.

Mr. BENNETT: I should like to say a few words about this item. Lest it be taken for granted that we approve these votes, I desire to point out to the minister that during the last few months, in fact during the last year, I have received very serious complaints respecting the administration of the Indian department in western Canada. The fault does not rest with the officer immediately in charge. political patronage has played a large part in the matter, in which the deputy head is wholly without authority. For instance there

have been cases of machinery bought merely for the purpose of providing business for friends and which lies outdoors unused. In one instance the minister employed as farm instructor to the Indians an undischarged bankrupt, and in another case a man who is addicted to the use of liquor to too great an extent was put in a position of authority with the result that at times he gets under the weather with injurious consequences to the Indians.

There is a vast sum of money being expended for the Indians, and this talk of the minister about his desire to help these wards of the nation would sound better if he would give some little expression to that sentiment in concrete form in a proper expenditure of the money voted for the purpose, and with less exercise of political patronage in the making of appointments. The Civil Service Commission which makes appointments in some cases should make them in all. It is not simply one case; there are three cases in particular. Why is it that the near relative of a member of parliament is taken from Portage la Prairie and put on a reserve? Did the Civil Service Commission approve of it?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: Under what circumstances?

Mr. STEWART (Edmonton): I cannot tell my hon. friend.

Mr. BENNETT: I think the minister could if he took the trouble to. The people in that locality at all events think so. In one instance the Indians were moved off one reserve—

Mr. STEWART (Edmonton): Where was that?

Mr. BENNETT: Not far from Portage, and they are supposed to be removed to another place; I do not know whether they have been or not. This is the report that was made by a gentleman who went through the west, a gentleman with no political bias at all, but with the one object of seeing how the aborigines were treated. He inquired why farm machinery should be left lying around unused—mechanical power for farming purposes unused. He also saw this reserve that I mention. In fairness to all concerned I am leaving out the name of the particular individual, the minister having ample opportunity to investigate these matters, lest it be said that injury is being done to any particular person.

Some years ago the idea was started that the Indians were raising very large crops. For instance, in my own province of Alberta there were the exigencies of—shall I say?—the demands of friends that reserves should be leased near Macleod; then reserves somewhere else; then the sale of the lands of a reserve east of Calgary; and when you go into Saskatchewan you find difficulties of the same sort, especially in the northern part of the province; and as well in Manitoba. The result is that although it is said that the Indians are producing large quantities of grain, in the main it will be found that they are not making the progress they should for the moneys that are expended, and part of the moneys we are expending belong to the Indians. There is a vast fund in this country that belongs to the Indians; for when lands are sold which the Indians own the proceeds from the sale of these lands goes into a trust fund the income of which is available for the maintenance of the Indians.

I have referred to three reserves in Alberta. I refer to a reserve in Saskatchewan. There is also a reserve in Manitoba, the Long Plains reserve, which I mentioned a little while ago. The Indians I referred to are the Indians who were removed from Portage to the Long Plains reserve. I could go into these matters in detail, but I think it is sufficient for my purpose to indicate them lest it be said that we have approved of this vast expenditure; and I say "vast" advisedly, because while it may be a relatively small sum of money, actually it is a very substantial sum. You have $2,500,000 out of $5,000,000 being used for Indian education, including the construction of school buildings. It would be desirable, if we had time, that we should have a complete statement from the minister as to just what work is being done and what the results are. Possibly the nearness of the end of the session is a good reason for not wanting to go into the matter in detail, but I should like the minister to know that there are those deeply interested in these questions who are studying them from outside observation, and they believe that the results obtained are not at all in keeping with what could be secured from the expenditures made. A tendency is manifesting itself to expend money in the purchase of facilities for farming which are not used for farming, with resultant idleness on the part of the Indians—the tendency of the Indian in that direction is well known to all—with the unfortunate result that instead of the Indian becoming more self-respecting he is becoming more dependent. Occupying as they do very excellent areas of land of high agricultural value, we know that there are not wanting those who are always endeavouring to see that these lands are sold

and purchased by someone else. The minister has had a good deal of experience in that regard in various sections of the country. He knows the means that are taken to have the Indians made to believe that it is desirable for them to sell, and then when they find their reserves gone and the lands sold the result is that you have a worse condition than you had before. The minister knows the difficulties which sometimes have been pointed out in correspondence from, I fancy many others besides myself.

Without taking the minister's time or the time of the committee to go into the mass of detail which I have under my hand, and which I had expected would be useful at this session of the house, representing accumulated detail extending over twelve months, I do suggest to him that whatever little time he may have at his disposal for Indian affairs might be utilized in having the closest possible inspection made of all the reserves in the western provinces. I know the inspectors' reports. Unfortunately I have seen some of them and have checked them up. I know the difficulties in connection with farm instructors, and I am not unmindful of the difficulties which the minister has to experience with those who think that they are fitted by a kindly Providence better to discharge the duties of instructors, farm and others, to Indians than any other people in the world. But if we are to get some value for the money that we are expending and make the Indian, as we all desire to do somewhat more self-reliant and less dependent and improve his position in the community by encouraging him to engage in agricultural pursuits and the raising of stock, as was done at one time in connection with two reserves in Alberta, we shall have to adopt different means from those which are now in vogue. I know not whether it is so or not, but certainly an authority to whose judgment I attach a great deal of importance is strongly of the opinion that there has been a steady deterioration in recent years in the morale of the Indians upon the reserves. That is not wholly attributable to my hon. friend's administration, of course, but it is attributable to causes which the government might, it seems to me, by taking strong action overcome. I content myself with pointing out these matters, without taking time to read a vast quantity of evidence which I have dealing with them. I ask the minister to endeavour to ensure by—shall I say?—observation and action on the ground, and not departmental action from Ottawa, that better results are obtained for the money expended than those which we have heretofore realized; for some of the education that we have given the Indians has only resulted in the poor unfortunate becoming the easier the victim of the tendencies of modern civilization. I think the minister knows what I refer to in that regard. Despite the efforts that are made to prevent the Indian becoming the victim of drink, very often his improved education has the more readily made him the victim of—shall I say?—civilization. All these things are matters that I regard as of great importance from the standpoint of the treatment of our aborigines, and I earnestly hope that steps will be taken to improve the conditions I have mentioned.

Mr. STEWART (Edmonton): There are reserves in western Canada—I presume my hon. friend is speaking of the farming reserves—where implements are left out of doors. But that is the case on almost very farm in western Canada. On the whole I think we have more facilities on the Indian reserves for storing agricultural implements than will be found on ordinary farms in any given locality in the western country. As fast as we can get money—because after all it is a question of money—we believe in providing facilities for covering these implements at or near the agent's quarters on the reserve. The appointment of agents is made by the Civil Service Commission, usually after a competitive examination.

Mr. BENNETT: It was not agents that I mentioned.

Mr. STEWART (Edmonton): Farm instructors are appointed by the commissioner at Regina. The case mentioned by my hon. friend is that of Mr. Edwards, who, he says, was an undischarged bankrupt when he received his appointment. I did not know anything about that at the time. After his period of probation he did not prove to have the necessary qualifications for the work and he is no longer in the employ of the department. My hon. friend says that the Indians are making no improvement in the way of farming. May I direct his attention to the Blood reserve at Macleod? They had well over one hundred thousand bushels of grain on that reserve last year. The Indians on the Blackfoot reserve are also making progress. As to the sale of Indian land, I agree with everything my hon. friend has said. Usually the reserve covers the best land in any given locality, and there is a desire on the part of the people who surround it to secure that land and they try every means in their power to get possession. The Blackfoot reserve was sold long before I became Superintendent

General of Indian Affairs, and we have had a good deal of trouble in getting collections of the moneys due the Indians, but we have succeeded in straightening out the difficulty. It is not the policy of the department to sell any land required now or that may be required in the future by the Indians of western Canada if it can be utilized by them for grazing, agriculture or any other purpose.

With respect to the education of the Indians, when I took charge of this department I found the various churches of the country, the Roman Catholic under the Oblate Fathers, the Anglicans, the Presbyterians, the Methodists—of course the Anglicans and the Catholics were engaged in this work to a much greater extent than the Presbyterians and the Methodists—I found that these churches had constructed buildings and had become responsible for the indebtedness incurred in their construction, and they were levying upon their adherents to secure money necessary to carry on their educational work. These churches had gone into the country in a missionary spirit to educate and christianize the young Indians, and I did not think it was fair to have them carrying that heavy financial burden. Therefore I immediately took steps to purchase from them the institutions that were considered to be useful for a number of years to come and to replace as far as possible the structures that had fallen into disrepair. To-day the churches are carrying on their work under much better conditions than they did when I became minister of the department.

With 105,000 Indians scattered over the Dominion from the Atlantic to the Pacific, and away up in the Arctic, it would be strange if some of our officials did not go wrong once in a while. But may I say to the hon. leader of the opposition that I will not tolerate an official on an Indian reserve who has anything to do with liquor—and I am not a prohibitionist.

Mr. BENNETT: Hear, hear.

Mr. STEWART (Edmonton): That is one very strong resolution I have made in this regard, and I intend to carry it out. So far as I know, we try to keep the staff engaged in Indian work as reasonably clean as we possibly can. I do not say that we will not have difficulties now and again; anyone who has to administer this department is bound to have difficulties; but I say we are making progress, and did time permit I should be glad to inform the house of the lines along which we are making splendid progress in Indian affairs.

[Mr. C. A. Stewart.]

Mr. BRADY: I want to bring home to the Minister of the Interior a few facts that are vital in this discussion. I think he will admit it without hesitation, that the money we are spending on the education of Indians in Canada has not resulted in making the Indian part of our Canadian life. No hon. member of this house who has studied the Indian problem can dare tell me that beneficial results have accrued from this large expenditure. If we compare the condition of the Indians in Canada with that of the Maoris in New Zealand, we find a striking contrast. The Maoris in New Zealand have entered almost every profession and you even find them in the legislative halls of that dominion. Unfortunately we cannot point to a similar advance among the Indians in our country. I believe that the minister has honestly endeavoured to the best of his ability to solve the problem of educating the Indian, but he has not succeeded. The Indian on the many reserves to-day, with the most valuable land in the country at his disposal, is not doing for himself what he should do when we take into account what we expend upon his education. What is the position of the Indian to-day? I grant that the Indian schools are doing good work? There is the Coqualeetza school, the school at Fort Simpson, Alert Bay, Telegraph Creek and Wrangel, and although they are doing very good work we must admit that they are not solving the problem of getting the full value of these 105,000 Indians who have been taken from their natural habitat by our modern methods, and to whom we are trying to give a modern education. We have succeeded only in giving them a veneer of education, and we have not followed the education of those Indians to its legitimate end. In their education I suggest that we should strive to teach those Indian children to be part of the modern life in which they find themselves. Are the Indian schools doing that? I desire that when we spend so much money on Indian education we shall see to it that those Indian children have good teachers, and teachers who are well paid. Furthermore those children should be taught technical work in which pursuit the Indian is an expert.

Without taking more time of the committee I wish to say that by instinct the Indian is a craftsman. Hon. members would do well to take note of the work they have done with wood carving in western Canada; they are efficient in painting and basket weaving. What have we done to fit the Indian for the vocation to which he is entitled? We

should direct our attention to the study of the Indian in a more practical fashion than we are doing to-day and I hope that during the coming year a great and concerted effort will be made to make those Indians part and parcel of our modern civilization, a position which they do not hold at the present time.

Mr. KELLNER: I have a long letter concerning the dismissal without notice of Mr. W. Edwards. Is the minister in a position to make a statement as to why this man was dismissed?

Mr. STEWART (Edmonton): I believe my department received a letter from my hon. friend. I made inquiries, and as a result I find that there were statements made to the effect that this man was an undischarged bankrupt. The claim was made that the Indians owed him money, which claim I believe has been denied. The chief complaint however was that the man was not fit and capable to carry out his duties, and for that reason was not employed longer.

Item agreed to.

Progress reported.

## BUSINESS OF THE HOUSE

### SITTING THIS DAY AFTER ELEVEN O'CLOCK—SITTING ON ASCENSION DAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to move that this house do not adjourn at eleven o'clock to-night.

Mr. BENNETT: We should have a definite statement as to when the house will rise. We had difficulty on one occasion in connection with that matter and it is better to have a definite time to take the place of eleven o'clock rather than to proceed indefinitely and then have difficulty.

Mr. MACKENZIE KING: My hon. friend and other members of the house are no doubt aware that to-morrow is Ascension day, and that in the past it has not been customary for this house to sit on that day. It has not been customary either to sit on May 24. As we had two sittings on that day and are now doing our utmost to get through with the business of parliament as rapidly as possible, it might suit the convenience of all if we were to meet only for two sittings to-morrow instead of three as we are doing at present. In that way we would leave the morning clear and meet in the afternoon. If that is agreeable, I would suggest that it might be advisable to meet at the hour of two o'clock in the afternoon instead of at three o'clock. In regard to this evening, I imagine it will meet the convenience of all parties if we fix the hour of adjournment at one o'clock. Some hon. members have mentioned that we might continue to sit until two o'clock; on the other hand, I have learned that there are other members who prefer to adjourn at one o'clock. That being the case I would suggest the hour of one o'clock, and with the consent of the house I shall include that hour in my motion.

Motion agreed to.

Mr. MACKENZIE KING: I shall make the formal motion that this house do sit to-morrow, May 29, 1930, beginning at the hour of two o'clock p.m.

Motion agreed to.

Mr. MACKENZIE KING: May I add that I hope the fact that for part of the day we are to sit on Ascension day will not be regarded as in any way establishing a precedent?

## SUPPLY

### INDIAN AFFAIRS

The house in committee of supply, Mr. Johnston in the chair.

Indians—Manitoba, Saskatchewan, Alberta and Northwest Territories—$1,061,257.

Mr. FANSHER (Last Mountain): I want to bring to the attention of the minister the matter of some Indian accounts. In some instances in the province of Saskatchewan Indian agents have gone out to the farmers and purchased seed grain, feed oats, hay for horses and in some instances cattle. In some cases these people have received part pay, but in others they have not received anything. I brought this matter to the attention of the minister last year, and my remarks are recorded at pages 3807 and 3808 of unrevised Hansard. Among other things the minister said:

> In every case where he is able to produce such an order we are prepared to settle, and in some cases where the evidence is clear that the transaction actually took place and that the creditor has given value for the claim, we will try to make an adjustment.

It seems to me that some provision should be made at this session of parliament to pay these accounts when the agents get seed grain or feed from farmers. I hope the minister will see that these accounts are paid this summer.

Mr. STEWART (Edmonton): All I can say is that we do recognize the orders of the agents, but we do not pretend to recognize trading done with Indians unless by the

authority of the agents. We have had a great deal of difficulty in settling up old accounts which have dragged on for some years; many of the obligations in this respect occurred during and just after the war. I think, however, with the exception of just one or two at Touchwood we have paid up most of these accounts, and the crop on the Blood reserve this year will no doubt clear up a very heavy indebtedness which exists there. We are watching the matter very closely and hope we will be able to clean up the last of these accounts before the year is over.

Mr. FANSHER (Last Mountain): Am I to understand that it is not the intention of the department to take care of these accounts at all until such time as the money comes from crops belonging to the Indians themselves?

Mr. STEWART (Edmonton): No, that is not what I want my hon. friend to understand. As far as possible we want to avoid taking money from our Indian account for the purpose of paying these amounts. In the case of the Blood Indians there was about $50,000 owing, a very large amount, and I am informed that this year their crop will clean up that account. In some cases we have had accounts long overdue and have had to vote the money to pay for them. I want my hon. friend to understand that it has not been an easy task to clean up this old indebtedness, but I say we hope to be able to clean it up during the present year.

Mr. FANSHER (Last Mountain): I should like the minister to understand also that it has not been an easy task for these men to carry these accounts for ten or twelve years, some of them for very large amounts. I do not refer to any cases where trading has been done between the Indian and the farmer; I refer to cases where the agent went out and gave orders on government stationery. The farmer, thinking he was going to get his pay in the near future, let go of a valuable liquid asset and still has not received his money. We make loans to harbour commissions and many other institutions throughout Canada, and it seems to me this matter should be cleaned up now. It should not be difficult to make a loan to the department which would enable these legitimate accounts to be paid. They should be paid; it would not take a great deal of money and it would relieve a great deal of hardship among the farmers who have been carrying these accounts for a long time.

[Mr. C. A. Stewart.]

Mr. McQUARRIE: I have quite a large file of correspondence here in reference to the case of C. B. Rothery, who was a clerk in the Indian office at Onion Lake. This man claims to have been unjustly treated; he was appointed to the position through the Civil Service Commission, and after six months probation he was dismissed by the department. I have a recent letter from him in which he says:

> A communication from J. C. G. Herwig, service bureau, Canadian Legion, to the representative of the imperial section of the Legion—a copy of which letter has been passed to me—reveals the following interesting admission by the Indian department:
>
> "We have been met with a bland denial of such interference (political) and been told that the department did not wish to accept Rothery in the first place, doubting his competency." This I consider explains the attitude of the Indian department throughout the whole business and does prove their intention to appoint the nominee of C. R. McIntosh, M.P.; further that it certainly supports my contention that they did not intend that I should get past the period of probation.

And so on. I also have a number of communications from prominent people in the district, which I will not take time to read to the committee. However, there is one letter from a prominent gentleman in Fort Pitt, Saskatchewan. I will let the minister see this letter if he wishes, but I do not wish to put it all on Hansard or to give the name of my correspondent. I should like to read a short extract, however, as follows:

> The whole district feels most strongly about his dismissal from the position he held as clerk at the Onion lake Indian agency, a feeling I certainly share myself. We all know Rothery as a very capable, courteous man fitted in every way for the position he held at Onion lake. His academic qualifications and experience place him right in the front rank, and it is disgraceful to think that he should have been dismissed from Onion lake on such paltry grounds. I have gone into the whole matter most fully, and to me the business will hardly bear the light of day.
>
> We all feel that Rothery was eminently suited for the job as clerk at Onion lake. His past records are irreproachable. I have made a number of private inquiries into this matter and have viewed all possible aspects of this case. I now come to the conclusion that there should be a thorough, impartial inquiry into the whole business, which I know would lead to Rothery's reinstatement.

Would the minister care to make a statement in connection with that case?

Mr. STEWART (Edmonton): Yes. I may say that I have heard of this case to-night for the first time, but I am informed that this man was selected by the Civil Service Commission for the position; he was taken

on for a period of probation of six months, and was found to be unfitted for his job, so he was let out. As I say, I had not heard of this matter until my hon. friend brought it up to-night, but that is the information I have with respect to the case. I may add that surely the officials of the department ought to be the judges of whether or not a man is capable of filling a position after he is given a trial. If he had not received a trial it would be a different matter, but I am bound to say that I shall have to accept the opinion of my officials against any outside suggestions as to efficiency or anything else with respect to the department. I do not know anything about this case; it has been dealt with by the department officially, and the officials of the department must be the judges of a man's qualification to fill a position after he is given a fair and impartial trial.

Mr. McQUARRIE: Does the minister know whether it is true that the man who got the position was recommended by the hon. member mentioned in this letter?

Mr. STEWART (Edmonton): I do not know who has the letter or where it is filed. I had no knowledge of this matter until just this moment.

Mr. McQUARRIE: The statement is made to that effect.

Mr. STEWART (Edmonton): I cannot be responsible for all the statements which are made but undoubtedly the Civil Service Commission would have to pass upon the applicant, and would also send us another one.

Mr. McQUARRIE: As a matter of fact they did give this man the appointment. He is a returned man, while the man appointed in his place was not. Does the minister know that to be the fact?

Mr. STEWART (Edmonton): I do not know anything about the appointment. As clerks are required they are advertised for in the usual way and the appointment is made by the Civil Service Commission. The individual who obtains the appointment is taken on probation, but if he is found to be unfitted for the position he is let out and we ask the Civil Service Commission to give us another appointment.

Mr. McQUARRIE: Does the minister agree that there should be an investigation made?

Mr. STEWART (Edmonton): If my hon. friend will give me the information which he has and I find that an investigation is warranted, yes. Every man is entitled to fair treatment, but many of these cases come up and it is found usually that the officials in charge are capable of deciding whether or not a man is fitted for the position. If that man has not had an opportunity of demonstrating his fitness for the position, then there might be grounds for complaint.

Mr. McQUARRIE: The gravamen of this charge is that the department never intended that this man should retain the position. That would appear to be a clear case of fraud, and more than that there is the suggestion of political interference.

Mr. STEWART (Edmonton): If my hon. friend is willing to give me the information in his possession I will go into this matter thoroughly and if in my opinion any injustice has been done to this man, an investigation will be held.

Mr. McQUARRIE: No doubt the deputy has full information as to what took place. These are rather serious charges, and they seem to be backed up by very prominent residents of that district who think that an injustice has been done to this man. I should be very glad to give the minister all the information I have, and I would ask that he consider the holding of an investigation. It is very unsatisfactory that there should be, as there has been in this case, any political interference, particularly when a returned man is displaced by a man who did not serve overseas.

Mr. FANSHER (Last Mountain): Has any provision been made for the payment of these accounts?

Mr. STEWART (Edmonton): Does the hon. member mean by way of a special vote?

Mr. FANSHER (Last Mountain): Yes.

Mr. STEWART (Edmonton): No, but should it be deemed absolutely necessary that payments be made, and the accounts do not run into too large a sum, they will be taken care of.

Mr. FANSHER (Last Mountain): Does not the minister think that some of these accounts should be paid? The crops were poor last year and the farmers would like to receive their money. I would like to see the minister bring in a supplementary estimate to cover this matter. It would not mean the payment of a very large sum out of the federal treasury, and that would be returned as new crops are grown.

Item agreed to.

Indians—British Columbia—$591,600.

Mr. FRASER: What percentage of this vote was expended last year?

Mr. STEWART (Edmonton): So far as education is concerned, we have found that we have overspent our votes in all the provinces. We do not carry over any amounts in the Indian department, especially in those items dealing with medical health and medical services.

Mr. FRASER: One of the items in this vote is for $100,000 to provide for technical education, hospitals, medical attendance, promotion of agriculture, stockraising, fruit culture, and irrigation projects, and I would like to know in a general way what disposition was made last year of that amount, and how it is proposed to expend this present vote.

Mr. STEWART (Edmonton): That is the sum which was fixed two years ago as a settlement with the Indians.

Mr. FRASER: Could the minister indicate in a general way how the amount is being spent? For instance, how much is being spent on technical education?

Mr. BENNETT: And what is meant by technical education?

Mr. STEWART (Edmonton): I did not anticipate being asked these questions, and I have not that information with me. The $100,000 is divided up in various ways for the benefit of the Indians in British Columbia. Does the hon. member want a statement as to how that amount was spent?

Mr. FRASER: I wanted only a general statement, but if the minister is going to prepare one, perhaps he would prepare a complete statement.

Mr. STEWART (Edmonton): The expenditures for this year were as follows:

| | |
|---|---|
| Technical education.. .. .. .. .. .. .. | $10,000 |
| Hospitals and medical attendance.. .. | 60,000 |
| Promotion of agriculture, stock raising and fruit culture.. .. .. .. .. .. .. | 15,000 |
| Irrigation projects.. .. .. .. .. .. .. | 15,000 |

Mr. FRASER: Most of the amount went for medical purposes.

Mr. STEWART (Edmonton): That is quite right.

Mr. McQUARRIE: Is it the policy of the department to lease Indian lands to orientals?

Mr. STEWART (Edmonton): I am informed that where they are available for leasehold, Indian lands are leased to orientals.

[Mr. Fansher.]

Mr. McQUARRIE: On page 1311 of Hansard of this year appears an answer by the minister to a question asked by the hon. member for Battle River (Mr. Spencer). A list is shown of about 32 orientals who have obtained leases on the Kamloops No. 1, Tsooahadie, "foreshore", Tsussie, Whonock and Musqueam reserves. I presume the minister knows of the agitation in British Columbia against the leasing of lands to orientals. He knows the foothold they are getting on lands in that province. I suggest to the minister that this is a policy the department should not pursue. Is there any particular reason why such a policy should be pursued?

Mr. STEWART (Edmonton): I know of no particular reason. So far as I am aware, the oriental rents property freely in British Columbia for the purpose of raising vegetables. The Indian department is not unique in the fact that it happens to have a few leases with orientals, who, so far as I know make very good gardeners; they take good care of the land and we get the rentals from them. There is no difficulty about getting our rentals. They are not receiving possession of the land in any way; it is merely on leasehold. I may say frankly, if Anglo-Saxons wish to rent the land they would certainly have the privilege, but I do not know that we should take the ground that we would absolutely refuse to lease lands to orientals unless that were a general policy in British Columbia and then, of course, we would acquiesce in it. The hon. member knows the oriental is a very large leaseholder in British Columbia.

Mr. McQUARRIE: The minister says that the orientals take good care of the land. Perhaps the minister does not know. As a matter of fact the orientals do just the opposite; they use up the land. It is estimated that if an oriental can have land for five years, its productive qualities are practically nil for quite a long period after. The minister has not that information, I presume.

Mr. STEWART (Edmonton): My hon. friend knows that right at his own home on the delta there is a very large settlement of orientals who have been there for a number of years. I happen to know that from observation. I had not heard they were leaving the land; they are farming it under leasehold. I had not heard that they were more extravagant in the use of land or took the life out of it more quickly than their white competitors. That is news to me, I confess.

Mr. McQUARRIE: It is quite true nevertheless. I presume the minister is not aware that the great majority of the farmers throughout that district have decided not to lease any lands to orientals. The minister has not that information?

Mr. STEWART (Edmonton): No.

Mr. McQUARRIE: I want to ask another question in regard to unused Indian reserves. What is the policy of the government in connection with lands that are not being occupied by Indians at all? How many reserves have we like that in British Columbia?

Mr. STEWART (Edmonton): I think we have in the neighbourhood of 1,200 in the province of British Columbia. I frankly confess we are not anxious to sell Indian lands, but when there are no Indians going to make use of them and they are of any particular value for agricultural purposes, they are usually sold or put under leasehold. Use is being made of them in some way, but the Indians of course receive the benefit of the receipts from the leases, and in this way we are assisted in carrying on the Indian work. As I say, we are not keen on selling Indian lands; we believe there is little enough land reserved for the Indians without depleting it further.

Mr. McQUARRIE: When the department proceeds to lease lands, does it advertise them in any way or give opportunity to the public generally to know that such lands are for rental?

Mr. STEWART (Edmonton): Usually we have applications for them and we seek to make known, in the locality in which the land is located, the fact that it is for rental. In the case of sales they are always by public auction and more often than otherwise there is only one individual interested, or there may be two. We try to meet all who are desirous of obtaining leases of these lands.

Item agreed to.

Indians—general, $336,500.

Mr. BENNETT: Perhaps the minister will give us a few words of explanation in connection with the item of $137,000 for the prevention of the spread of tuberculosis. I had a communication in respect to that the other day.

Mr. STEWART (Edmonton): We are not anything like meeting the requirements of the case in regard to the suppression of tuberculosis amongst the Indians. Indeed, there is in Canada scarcely a band of Indian which is not more or less affected by tuberculosis. Unfortunately the disease has spread to rather an alarming degree, so much so that we are really anxious about it. I am asking for the apointment of an assistant Indian medical officer, but even that does not touch the fringe of the question. Something further will have to be done, and a very considerable sum of money spent on this work in order to meet the situation. I am having a survey made at the present time of the hospital facilities in every province in Canada, because we believe, rightly or wrongly, that it will be more economical for the department to work through the existing hospitals of the provinces than to attempt to set up large institutions of our own with the incidental cost. Of course in some instances we shall have to establish hospitals. Moreover, growing out of this is another demand, a demand for some sort of institution to house our old people, but I frankly confess our chief cause of alarm at the moment is tuberculosis and the ravages of this disease amongst the Indians and also the danger of the spreading into the communities that surround them as a result of so much of it being found on the reserves. Year by year we shall have to increase the vote for this purpose. I consider it a real menace and we are giving it very careful attention in the hope of meeting the situation as far as it is possible to do so, not to eradicate, but to suppress, if possible, the spread of the malady.

Mr. BENNETT: Last week I was at the Byron hospital near London and I saw some Indian inmates of that hospital. During the past year I had occasion to observe the ravages of this disease in the Sarcee band near Calgary, where the band is certainly in a very precarious condition, where diseases of other kinds than tuberculosis have undermined the vitality of the survivors, and something must be done. The same thing is equally true in regard to other reserves in Alberta. I have had no opportnuity to see other reserves but one, and therefore I cannot with any degree of certainty speak about the matter. The minister anticipated a suggestion I was going to make to him, and it is this: We have a Department of Health and there should be the closest cooperation between the two departments. This overlapping is one of the things that disturb people greatly. The federal Department of Health should be of some service in matters of this kind. The hon. gentleman has referred to a subject that, I think, is of considerable importance, namely, the tying of the efforts of the department to those of the provincial organizations in some way. I do not know just how this can best

be accomplished. Take, for instance, the large institution near Robertson, west of Calgary, where large numbers of tubercular patients are being treated. From the inquiries I have made, it did not seem to me you could take the Indian patients to that sanatorium and have them treated with the other patients there.

Mr. STEWART (Edmonton): What we are doing—and we are trying to extend it—is to provide a sum of money to build extensions to those institutions, and they are operated as Indian annexes.

Mr. BENNETT: The hon. member knows what was done at Gleichen in connection with trying to put up little houses for them. It is their way of living that makes them so susceptible to the inroads of this disease. Certainly there are a great many people who are intensely concerned as to whether or not the existing conditions are not a menace to the public health of the surrounding community, as the minister has said. The deaths last year were very considerable, especially among the younger men and women on the reserves. The sum of $137,000 properly expended in one year in a concentrated effort at one particular point might provide facilities that would ensure that community against the ravages of this disease being so apparent next year, but a sum like $137,000 spread over as thinly as it has to be to take care of the whole situation, I am afraid, accomplishes very little good. I am bound to say that the facilities that have been provided in connection with the Sarcee and Blackfoot reserves and at one or two other places have done an amazing amount of good. But the Indian does not take kindly to the preventive measures that have to be taken to ensure anything like reasonable results. The reason I brought this matter up was that there might be on Hansard for the benefit of those who are tremendously interested in this matter a statement from the minister to which I could refer them, indicating a realization on his part of the dangers of the situation and as to what steps are being taken, not to eradicate, but to bring about an attitude of mind on the part of those concerned by which they will let nature operate so as to prevent their becoming victims of tuberculosis.

Mr. STEWART (Edmonton): We have been expending very large sums of money on the building of educational institutions, and I think we have now reached the stage where we shall not require so much money for that purpose. Both this year and last, in conjunction with the Department of Health at Ottawa and the provincial departments of health, we have been making a survey with a view to establishing additions to the institutions already built to take care of the Indians who are suffering from this and other diseases.

Mr. MANION: May I suggest that there is this point to be remembered? The Indians are more susceptible to any disease taken from the white men than are the white men themselves, and a good deal of the work done should be directed not so much to taking care of the Indian after he has taken the disease as to preventing him from taking it. Tuberculosis is a disease which comes upon patients particularly after having had measles, and keeping the Indians from getting such diseases as measles will render them less susceptible to tuberculosis. Preventive measures of that sort will do more good than looking after the Indian after he has taken the disease.

Item agreed to.

Indian education, including the construction of school buildings, $2,409,500.

Mr. BENNETT: Perhaps the minister would give us some statement as to how this money is to be expended. The minister knows the demands in connection with buildings in certain parts of western Canada, and I think it would be desirable to have a statement on Hansard for reference.

Mr. STEWART (Edmonton): We have in operation this year boarding and day schools in the various provinces as follows: Prince Edward Island, 1; Nova Scotia, 11; New Brunswick, 10; Quebec, 33; Ontario, 96; Manitoba, 55; Saskatchewan, 39; Alberta, 21; Northwest Territories, 6; British Columbia, 62; Yukon, 7; or 341 in all. There are no boarding schools in Prince Edward Island, Nova Scotia, New Brunswick or Quebec, but there are 13 boarding schools in Ontario; Manitoba, 10; Saskatchewan, 14; Alberta, 19; Northwest Territories, 4; British Columbia, 16; Yukon, 2.

Mr. BENNETT: Is this new construction?

Mr. STEWART (Edmonton): No, these are schools in operation. The new construction is as follows:

| | |
|---|---|
| Shingwauk Home, Ontario (C.E.) | $ 50,000 |
| Norway House, Manitoba (United) | 15,000 |
| Birtle, Manitoba (Pres.) | 125,000 |
| Muscowequan, Saskatchewan (R.C.) | 145,000 |
| Beauval, Saskatchewan (R.C.) | 25,000 |
| Albert Bay, British Columbia (C.E.) | 10,000 |
| Blue Quills, Alberta (R.C.) | 125,000 |
| Edmonton, Alberta (United) | 14,000 |
| Old Sun, Alberta (C.E.) | 50,000 |

| | |
|---|---|
| Providence, Northwest Territories (R.C.) | 15,000 |
| Cariboo, British Columbia (R.C.) | 26,000 |
| Carcross, Yukon (C.E.) | 10,000 |

That is our program for new construction and improvements to existing buildings for this year.

Mr. PECK: What schools are maintained in the Northwest Territories?

Mr. STEWART (Edmonton): We have a day school at Aklavik, with 40 pupils; one at Fort Resolution, with 80 pupils; one at Hay river, with 50 pupils; one at Providence, with 65 pupils.

Mr. SIMPSON: Is the amount the minister mentioned for the Shingwauk Home at Sault Ste Marie to be used for the construction of a new building? The old building has been there for over fifty years, and they are hopeful—I understand that they were led to believe —that a new building would be erected.

Mr. STEWART (Edmonton): I am informed by the deputy minister that this is to commence a new building, which it is expected will cost $160,000. But this is all we shall expend this year.

Mr. FRASER: The minister mentioned a new building at Cariboo.

Mr. STEWART (Edmonton): An amount of $26,000 is being spent for a water suply at the school at Cariboo.

Mr. FRASER: I noticed in the Auditor General's report for 1929 an amount of about $35,000 for Indian children attending white schools. What is the policy of the government in regard to paying the expenses of Indian children attending white schools?

Mr. STEWART (Edmonton): Where the Indian children are attending the school, as we contribute nothing as ratepayers we have to pay fees.

Mr. FRASER: That is the general policy?

Mr. STEWART (Edmonton): Yes.

Item agreed to.

Indian education—further amount required, $100,000.

Mr. BENNETT: What is this?

Mr. STEWART (Edmonton): When we closed the year we found that a number of the votes had lapsed with respect to the construction of buildings and we were short $100,000.

Item agreed to.

Miscellaneous—to provide for a gratuity to Peter Tomkins, farming instructor, formerly of Saddle Lake agency, Alberta, $500.

Mr. BENNETT: Is Peter Tomkins an Indian?

Mr. STEWART (Edmonton): No. For many years he was in the employ of the Indian department, particularly through the period of the rebellion. Now he is unable to maintain himself, and we are voting this as a gratuity for the services he rendered in the early days.

Mr. BENNETT: It is a small sum, but there is a precedent involved which is of very great importance having regard to the letters one in my position receives from those who took part in the Northwest rebellion. When did he leave the public service?

Mr. STEWART (Edmonton): He left the Indian service some years ago, but later he was employed in the Department of the Interior as a homestead inspector. I do not think he has been engaged in the Indian department for twenty years.

Mr. KENNEDY: He has been in the public service forty years altogether. He was Dominion Land Agent at Grouard until 1911.

Item agreed to.

Indian affairs—salaries, $195,000; contingencies, $23,000.

Mr. COWAN: Is there any provision in the supplementary or the main estimates for making an addition to the hospital at Sioux Lookout in the northern part of the territory? It is a convenient point to establish a hospital by reason of the fact that Indians resident in the area from the Manitoba boundary to as far as Cochrane are treated there. Representations have been made to the department that a wing should be added to the hospital. At present the Indians are treated in an institution erected by the citizens of the community. I think it is only fair that the department should pay for the construction of a wing to the hospital in pursuance of the request that has been forwarded to the minister.

Mr. STEWART (Edmonton): If we can make an arrangement with the hospital authorities we intend to provide the money for the construction of a wing for the purpose my hon. friend has mentioned. It is our intention to put an item in the estimates next year. In the meantime we will continue to pay the ordinary hospital fees.

Mr. McQUARRIE: What is the reason for the increase of over $16,000 for salaries?

Mr. STEWART (Edmonton): We are appointing a new medical officer to assist the chief medical officer at a salary of $4,000; a departmental accountant, grade 5; a survey engineer, grade 1; a clerk, grade 4; an inspector of Indian agencies, grade 2. This official in the past has been paid from the vote for the outside service; we are transferring him to the permanent inside service. These, with a few other increases make the total of $16,000.

Mr. McQUARRIE: There is an increase of $1,500 for contingencies.

Mr. STEWART (Edmonton): We find that we have not had enough money in the past for contingencies, and we are now asking for $1,500 more.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

National Revenue—Civil government—salaries, $776,980; contingencies, $60,000.

Mr. BENNETT: Does this amount include the salaries of special officers who have been taking charge of prosecutions and looking after matters of that kind?

Hon. W. D. EULER (Minister of National Revenue): No, this is under the civil government section.

Mr. BENNETT: They are not included in that?

Mr. EULER: No; this applies to the officers in the departmental head office.

Item agreed to.

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, and temporary buildings and rentals, $8,064,000.

Salaries and travelling expenses of inspectors of ports and of other officers on inspection and in connection with the Board of Customs, and amount required to create positions, make appointments and pay salaries and expenses of Dominion appraisers, investigators of values and claims for drawbacks, $1,327,940.

Miscellaneous—Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and legal forms, legal expenses, premiums on guarantee bonds and uniforms for customs officers, $650,000.

To provide for expenses of maintenance of revenue cruisers and for preventive service and amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue; also to provide for the expenses of such officers and for the purchase or charter of vessels, and for the purchase or hire of automobiles to be used in the prevention of smuggling or other offences against the revenue laws, $1,812,512.

[Mr. McQuarrie.]

Amount to be paid to the Department of Justice, to be disbursed by and accounted for to it, for secret preventive service; amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $60,000.

To provide for the administration of the Business Profits War Tax Act, 1916, and the Income War Tax Act, 1917, and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, and salary of $8,000 for the Commissioner of Income Tax, $2,200,000.

To hereby provide, notwithstanding anything in the Consolidated Revenue and Audit Act or any other act or law, for payment out of the Consolidated Revenue Fund to A. C. Lacouvee, special customs excise officer grade 2, on the preventive service staff of the Department of National Revenue of an amount at the rate of $500 per annum to commence from July 1, 1930, and to continue thereafter until the death of the annuitant, $500.—Total, $14,114,952.

Mr. MANION: There are a number of increases here, and some decreases. I would like the minister to give us some explanation, because it is a long item.

Mr. EULER: The total increases for all the main estimates amount to $24,000 more than they were last year. Does my hon. friend refer to any particular increase?

Mr. MANION: It is rather a long item, and I was anxious to have the minister say something about it. What is the first increase?

Mr. EULER: The statutory increases account for $112,340, and the amount necessary for salaries for additional officers required to cope with the increased customs excise business is $222,780. The increase in contingencies based on expenditure for 1929-30, is $99,910; increase due to the promotion of officers, $7,635; increase due to transfers and retaining services of seasonal officers longer than estimated for, $19,455; and salaries underestimated for 1929-30, $1,175, making a total of $463,295. Less the decrease due to newly appointed or promoted officers coming in at the minimum or lower salary than that received by predecessors, $91,875; decrease due to positions abolished on account of closing of customs offices, $123,395.

Mr. MANION: May I ask if the minister expects to have increased expenditures due to the liquor export act?

Mr. EULER: I have not put anything in the estimates for that purpose. We are going to try it out the way it is.

Mr. MANION: Does the minister expect there will be any increase in expenses?

Mr. EULER: I hope not; I made no provision in the estimates for it.

Mr. FRASER: How is the department getting along in the closing up of many of these customs offices?

Mr. EULER: Up to date we have closed 233 offices, and it may be possible to close more of them.

Mr. FRASER: I know where a couple of them have been closed, and I have heard a good deal about it. Do you contemplate closing any offices in British Columbia; do you know of any in particular?

Mr. EULER: No, not in British Columbia.

Mr. FRASER: I have a protest from Merritt, in my own constituency, against the closing of the customs office in that town. Complaint is made that they are put to considerable inconvenience in getting their customs parcels and that there is a good deal of delay. In fact they have to send to Revelstoke, and there is inconvenience and delay in connection with the receipt of the packages or merchandise which come through in that way.

Mr. EULER: Does my hon. friend refer to postal parcels?

Mr. FRASER: No, they have no complaint in regard to postal parcels. I am referring to the ordinary customs parcels which come in by freight or express. The complaint is that from the time the parcel arrives in Revelstoke until they are advised and are able to send the money to the customs house at that place there is too long a delay. I was wondering if there could not be some arrangement to make it easier and quicker for these people to secure delivery of customs parcels.

Mr. EULER: I can assure my hon. friend that we will do everything we can to make it more convenient for the people concerned. The complaint lodged by the hon. gentleman, however, is quite common in cases where the offices have been closed. The committee will very well understand that people never take kindly to the removal of a privilege which they have enjoyed in the past. We have, however, tried to accompany the closing of these ports with the minimum of inconvenience to the public. In connection with the port to which my hon. friend has referred the import duties for a year were only $2,500, and there were 114 import entries—about one every three days. I think the committee will fully realize that there was ample reason for the closing of this port; we have closed many others where the receipts were a great deal higher than in this instance. But I can tell the hon. gentleman that we will do all in our power to render the service more convenient.

Mr. FRASER: If the minister has not already received an application for the restoration of this office he will no doubt receive it shortly; I am so advised. It does seem to me, however, that there must be some method whereby the payment of the duty and the receipt of the merchandise could be expedited. I suggest that the minister look into the matter; he may be able to do something to relieve the difficulty which has been experienced there.

Mr. EULER: We shall be very glad to do so.

Mr. ESLING: No doubt the minister has had a great many complaints. It is quite possible that complaints do follow the closing of customs offices. So far as the small express parcels are concerned, however, could provision not be made to have them cleared by the postmaster? At the present time there is the necessity for travelling from one town to another, and it may be that the man who receives the parcel has to pay a dollar or two in order to get clearance in the next town.

Mr. EULER: The matter is now under consideration, and if it can be worked out we intend to take a course somewhat similar to that suggested by the hon. gentleman.

Mr. MACDOUGALL: I would like to ask the minister about a port which was closed in the constituency which I represent in Nova Scotia. I refer to the port of Cheticamp, where the people have to travel 125 miles to get their clearances at the town of Port Hawkesbury. In Cheticamp we have a gypsum company employing some 300 men, and naturally it is a very great nuisance to the people there to have to go to this trouble. I think my hon. friend should look into the matter and see if something cannot be done to remedy that situation.

Mr. EULER: For the information of the committee and my hon. friend I may say that the import duties at that port were $463.60 in a year.

Mr. MACDOUGALL: When was that?

Mr. EULER: I think that would be for the year 1928, because the port was closed January 1, 1929.

Mr. MACDOUGALL: I think the minister is wrong, and that those figures were for 1927. If the port were open now the revenue would be at least four times that amount.

Mr. EULER: That amount was for 1927-28.

Mr. MACDOUGALL: I am pointing out to the minister that there is a great difference between the condition which existed in Cheticamp in 1927 and the condition there to-day. There was practically nothing there at that time except the fishing industry, but to-day we have a gypsum company which employs 300 men. You closed that port and have made no investigation about it whatever. That port should be opened because now you would have a revenue at least four times as great as the revenue in 1927.

Mr. EULER: I may assure my hon. friend that when the port was closed the matter was thoroughly investigated.

Mr. MACDOUGALL: I do not dispute that; perhaps it should have been closed then, but it should be opened now.

Mr. EULER: I think my hon. friend is in error with regard to the date of the closure. As I have it here the port was closed January 1, 1929, just a little over a year ago. I have no objection to making another investigation.

Mr. MACDOUGALL: I am pointing out that within the past year a gypsum company was organized in that district which to-day employs 300 men, and that company has to go to Port Hawkesbury to make its clearances. No investigation has been held within the last year, but if you had a customs port at Cheticamp to-day you would get at least twice and I think probably four times the revenue of 1927. It is a very serious inconvenience to the people there and I think the minister should investigate it.

Mr. EULER: Of course it is the old story; I assure my hon. friend that there are always complaints. I hardly think he would suggest that for the sake of perhaps one business, important though it may be in that particular community, the department should maintain a customs house. If we had followed that principle we would not have closed any ports at all. In this instance, where the revenue amounted to $463, the salary of the collector was $1,020 per annum, so the port cost us a great deal more money than we received from it. However, I shall be very glad to make an investigation.

Mr. MACDOUGALL: The minister should not pass over this matter too lightly because it greatly concerns the people down there. I want an investigation conducted by his department in respect to this port. If the revenues are not sufficient to justify the establishment of a port, well and good, but I believe no investigation has been held and that the minister has not taken into account the fact that a very large industry employing a large number of men has been established in that district during the last year. I want some assurance from the minister that this matter will be investigated, because it is ridiculous for people carrying on a large business to have to go 125 miles to get clearances.

Mr. EULER: I do not understand what my hon. friend wants further; I have assured him that I have no objection to making an investigation. He says no investigation has been made in the past year. The port has been closed only a little over a year and until to-night no investigation was asked for. I cannot promise him anything more than that I will investigate the matter.

Mr. GARDINER: I notice the last item provides for a pension. Would the minister explain the circumstances in connection with that item?

Mr. EULER: Mr. Lacouvee has been captain of the Margaret, the largest of our cruisers, for a great many years. Altogether he has been in the service of the department some 35 years. It is desired now to retire him; he is not in good health, but for certain reasons the entire period of his service cannot be recognized in his retiring allowance, which would amount to about $1,475. Capatin Lacouvee, I may say for the information of the committee, lost a leg as the result of an accident which occurred while he was employed on one of our vessels. He never has received any real consideration for that loss, and it is felt now that after 35 years of service for which he cannot receive complete allowance it is not unfair to give him an additional $500.

Mr. BENNETT: What is his age?

Mr. EULER: About 65 or so.

Mr. BARBER: There is a matter which has been called to my attention and which at first I thought was a matter of classifica-

tion but which I find to be a matter of administration. This concerns the port of Abbotsford, in my district, where there is a certain amount of discontent. Abbotsford is a chief customs and excise port, where three men are employed. The variety of work is just the same as at such a port as Vancouver, though of course the volume is much smaller, and the demand is for just as much efficiency as at the larger ports. At all such offices as Abbotsford there are two or more sub-offices under its jurisdiction, and at these boundary points there is provision for the classification of the man in charge as a senior customs and excise examiner, but at such chief ports there is no such provision. The result is that the officer next to the collector at the chief port, while required to assume responsibility as acting collector, cashier, in charge of excise and sales tax and so on, is placed in an entirely unfair position as regards the possibility of promotion. When there is a vacancy in the position of collector the senior examiners at the boundary offices are given preference by their higher classification, in spite of the fact that they have no experience whatever in the work of a chief port. During the absence of the collector on holidays, sick leave and at other times, the second man at the chief port takes his place, when the position becomes absurd. He is classified lower than the senior examiners, yet is applied to by them for information and instructions. However, the chief reason for dissatisfaction is that he is obliged at all times to do the most responsible work, yet is given the lowest classification.

I find that this is not a matter of classification at all; I have a letter from the Civil Service Commission stating that it is a matter of administration and should be taken up with the department. I thought perhaps the minister could give me some explanation in this connection and, if possible, see that some arrangement is made whereby these experienced men will have an opportunity for promotion.

Mr. EULER: I can assure my hon. friend that these men have an opportunity for promotion. This is the first intimation I have had of any dissatisfaction, and if my hon. friend will send me a memorandum embodying what he has just stated I shall be glad to look into it.

Mr. FRASER: I notice there is a substantial amount spent in advertising with one agency in Toronto, amounting to some $27,000. I wonder if the minister would tell us the general policy of his department in regard to this advertising.

Mr. EULER: I think my hon. friend refers to the income tax advertising. We have adopted the policy, when the payments become due, of advertising the fact so that business men may govern themselves accordingly.

Mr. FRASER: Does that take $28,000?

Mr. EULER: Yes.

Mr. COWAN: I would direct the attention of the minister to the necessity of creating a customs port at Sioux Lookout in the district of Kenora. Considerable mining machinery comes through this point destined for the districts of Patricia and Red Lake and the nearest customs ports on the west are Winnipeg and Kenora, and on the east, Cochrane. These points are nearly 300 miles away, and considerable delay is occasioned in clearing machinery in from the United States. I suggest to the minister that it might be an opportune time to establish a customs port at this point, it being the most central point in northern Ontario.

Mr. EULER: I shall be very glad to inquire into this matter, but I would suggest to my hon. friend that the tendency is not to establish additional ports inland. I understand that Sioux Lookout is situated pretty well inland, but I should think that the people in that district could have their importations cleared by customs brokers at the boundary ports without undue delay.

Mr. BENNETT: Mr. Chairman, we are dealing with the items on page 67, which amount to over $14,000,000 and which have to do with the administration of the Department of National Revenue. Could the minister give the committee particulars of the item at the bottom of the page, which has to do with the administration of the Business Profits War Tax Act, and the amendments thereto?

I should like to know also the result of the investigations into the Department of Income Tax at Lethbridge. Considerable public curiosity was raised in connection with scandals and swindles regarding income tax returns, and I should like to know whether the minister is in position to give me any information in that regard. In connection with the item of $1,812,512 for the expenses and maintenance of revenue cruisers, and so on, I would direct the minister's attention to certain complaints which have been made regarding the officers of the department carrying firearms and their unfitness to carry out their duties in Halifax and at other points along the seacoast. I should like to know how many officers have been selected without

regard to the Civil Service Act, and having regard to the legislation of two years ago, I should like to know the general results obtained in connection with seizures for breach of the customs and excise laws of the country.

Mr. EULER: The Business Profits War Tax Act is practically dead. Regarding the investigation at Lethbridge, a charge was made against the assistant inspector, whose wife was engaged in the floral business, that he was using the time of the department in trying to dispose of the goods sold by his wife.

Mr. BENNETT: I was not interested in that phase of the matter, but rather in the returns which were made by those supposed to pay taxes, and the subsequent investigation by the department.

Mr. EULER: I know of no such investigation. I am informed that the chief inspector went over the returns made at that port and found nothing criminal.

Mr. BENNETT: I did not say there was anything criminal.

Mr. EULER: It was necessary that some higher assessments be made, but that is found to be the case in many instances.

Mr. BENNETT: It is just that point upon which I desire information.

Mr. EULER: As to the amount of the increases?

Mr. BENNETT: Yes.

Mr. EULER: They amounted to a few hundred dollars.

Mr. BENNETT: Is that all?

Mr. EULER: That is what the commissioner tells me.

Mr. BENNETT: I hope he is correct as to that.

Mr. EULER: I have no reason to doubt his word.

Mr. BENNETT: I do not doubt his word, but he may be speaking from memory.

Mr. EULER: I did not anticipate that question, and I am giving my hon. friend the best information I have.

Mr. BENNETT: Considerable public discussion has taken place upon this matter, and the suggestion has been put forth that strong efforts have been made to prevent this discussion in further detail. There has been a suggestion that returns have been made through connivance with some of the officials, with a consequent loss of revenue. It must be remembered that outside of my hon. friends to my left, there is only one member in opposition to the government between the head of the lakes and the mountains. I receive more communications than I otherwise would were that not the case, and I have to ask many questions in detail. I would prefer not to have to do this, but this difficulty will be removed by the next election. If the commissioner says that in connection with the Lethbridge situation the assessments had to be raised only a few hundred dollars, that is the end of it, because the matter is not worth wasting time over.

Mr. GEARY: I would like to inquire of the minister regarding the last phrase in the previous item, which reads:

—notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act.

Will the minister give me the number of appointees under this particular item, and, following up that answer, tell me if returned soldiers are given preference?

Mr. EULER: Returned soldiers are given preference. I take it that my hon. friend is referring to the income tax branch when he inquires as to the number of appointees.

Mr. GEARY: Yes, that is right.

Mr. EULER: The hon. member desires the appointments made this year?

Mr. GEARY: I want to know how many employees in that department are outside the provisions of the act.

Mr. EULER: The total number of employees, 1,175, are outside the provisions of the act.

Mr. GEARY: And returned soldiers are given preference in that department?

Mr. EULER: Yes.

Mr. BENNETT: In connection with the payment of sales tax, does the minister say that the department will not accept other than marked cheques in payment of that tax?

Mr. EULER: The commissioner informs me that instructions are given to the collectors to accept nothing but marked cheques.

Mr. BENNETT: Is the minister familiar with a prosecution carried on in Kincardine against a very large manufacturer in that town? The charge was that the cheque had not been marked, and it just happened that the relations of this manufacturer with the Minister of Trade and Commerce (Mr. Malcolm) were not of a harmonious nature. The

prosecution was carried on and action brought for a small sum of money because his cheque was not marked. I want to know from the department whether or not all payments have been by marked cheques.

Mr. EULER: I have some recollection of the matter because I had some correspondence with the gentleman concerned, perhaps rather violent in its nature on his side.

Mr. BENNETT: Why would it not be?

Mr. EULER: That does not make any difference, for this reason, that the gentleman in question refused to carry out the very regulations to which he refers now. The department was not going to treat him differently from anybody else, so suit was brought and the department won the suit.

Mr. BENNETT: It was bound to do so.

Mr. EULER: Why not?

Mr. BENNETT: For this reason: Will the minister say that in no instance in Canada have cheques not marked been accepted by officers in payment of sales tax?

Mr. EULER: I do not know.

Mr. BENNETT: I thought not.

Mr. EULER: My hon. friend surely knows the minister cannot possibly have knowledge of every payment of sales tax when there are some 17,000 concerns throughout the country. I have no such knowledge. If the commissioner says that this is so in all cases, I shall have to accept what he says.

Mr. BENNETT: Quite so.

Mr. EULER: The commissioner informs me that the instructions to the collectors are that they must accept marked cheques and if they do not, the obligation is upon themselves if a cheque is not paid.

Mr. BENNETT: This is what happened in Kincardine; a manufacturer there sent his cheque, which was an unmarked one, in settlement of sales tax in the ordinary course of business. The officer of the department sent it back. Ultimately, having secured a marked cheque, the department brought action for the loss of interest involved from the date that the unmarked cheque was sent, when it might have been paid—and this man's cheques had never been dishonoured—and I am informed that the Minister of Trade and Commerce said to this man, why did he not see his friends, or words to that effect. The man who was sued at least for this interest, is a man in a very large way of manufacturing in the town of Kincardine and his payments are very considerable. His cheques had never been dishonoured, nor were they likely to be. He sent the cheque to the agent and the agent had been dealing with the man on a satisfactory basis before, realizing that the responsibility was his. Suddenly the agent told him no; he sent the cheque back and in the end action was brought to recover interest for a few days upon the sales tax, or a prosecution was instituted, I forget which. I happened to be in Kincardine the day the case came before the county court judge. It was obvious what the result would be. The crown was bound to succeed. The question I put to the minister is this: Is that his conception of the discharge of the business obligation resting upon a department in connection with the administration of the sales tax in Canada?

Mr. EULER: I would merely say to my hon. friend that it is the duty of the department, and the minister conceives it his duty to see to it that when regulations are laid down, as nearly as possible they are carried out. In this particular case we carried out, exactly as I said a moment ago, the rule laid down that cheques should be marked. This cheque was not marked; the collector refused to accept the responsibility, and the natural result followed. I am not desirous of being offensive to anyone, and least of all, perhaps, to the gentleman whose case my hon. friend is now speaking of, but possibly the action the gentleman took and the correspondence which he sent, both to myself and to the department, were not calculated in any way to lead the department to waive the rule and make an exception in his case. Why, indeed, should we make an exception in the case of a man simply because he is a large manufacturer and pays large sums in sales tax? I do not think my hon. friend would ask me to make discrimination in favour of a large manufacturer as against a smaller one.

As regards the other matter, the Minister of Trade and Commerce is in his seat and can speak for himself. I have no knowledge of that at all.

Mr. BENNETT: The hon. gentleman is drawing a red herring across the trail, which is a very simple thing to do. I was not suggesting any discrimination between the large manufacturer and the small. I was suggesting the question of discrimination between manufacturers in different towns. The instructions are payment in cash or with a marked cheque. That is clear; but if a marked cheque is not produced, the agent takes the risk.

Mr. EULER: In this case he would not take the risk.

Mr. BENNETT: No, but he had been doing so. Why, suddenly, was he not willing to take the risk?

Mr. EULER: I do not know whether he was changing his mind.

Mr. BENNETT: No, he was changing his practice, because unmarked cheques had been sent before. That is the position. This was in the town of the Minister of Trade and Commerce, and, indeed, this gentleman will be his opponent in the approaching election.

Mr. EULER: So I believe.

Mr. BENNETT: It is what I call an abuse of authority when you have a tax such as this amongst business men, and you know that in many cases throughout the country sales taxes are paid with cheques. These cheques are sent by manufacturers of known probity, integrity and worth throughout the country. The department does not bother them; the agent does the collecting, and that is the end of the matter. The department could not possibly lose any money by the acceptance of this cheque. There was no question about it. It was sent in; it was then rejected, and later the action was brought. The objectionable feature of the matter, as I said, was that my information from the gentleman in question is that the Minister of Trade and Commerce said: "Well, why don't you rely upon your friends?" That is the position. He can answer that.

Mr. MALCOLM: I should like very much to reply to that.

Mr. EULER: I should like to make this comment: it is not fair to say that a sudden change was made with regard to marked cheques.

Mr. BENNETT: In this instance there was.

Mr. EULER: Just before this occurred, I am informed by the commissioner—my memory is not very retentive on the point—that general instructions had been sent to all collectors that marked cheques or cash must be produced. I am bound to say that in this particular case the department would not likely have lost money if the unmarked cheque had been accepted. I have no doubt that the gentleman to whom my hon. friend refers was perfectly responsible and capable of meeting the amount of the cheque. But does my hon. friend ask the department to pick and choose, to accept one man's unmarked cheque and not another's? I am sure, as a business man, he will not say that. As regards the rest of the matter, and the relationship between the manufacturer and the Minister of Trade and Commerce, I have no knowledge of that, and as the minister is here he can speak for himself.

Mr. MALCOLM: I would like the leader of the opposition to repeat what he stated a moment ago that my opponent in the forthcoming election said.

Mr. BENNETT: The man was discussing the matter and the Minister of Trade and Commerce said: "Why don't you consult your friend?"

Mr. MALCOLM: Who said that?

Mr. BENNETT: The minister.

Mr. MALCOLM: It was I who was supposed to have said it to him?

Mr. BENNETT: Talking to him.

Mr. MALCOLM: I have not spoken to that gentleman for many years.

Mr. BENNETT: I thought that is what the hon. gentleman would say. Now I have the answer I wanted. He was not on speaking terms with this man, who is carrying on a manufacturing business that is not protected to the extent of 42 per cent.

Mr. MALCOLM: That is not the point.

Mr. BENNETT: It is the point, and the minister said—this information was given to me by reputable citizens in Kincardine—that this man should place himself under obligation to the Minister of Trade and Commerce. If he had, this would not have happened.

Mr. MALCOLM: That is absurd.

Mr. BENNETT: It shows the smallness of the way in which these things are being done and the oppression that is put on a man when you have the chance.

Mr. MALCOLM: There was no oppression. I can say truthfully to the house and to the people of my riding that I had no knowledge of any difference existing between the man in question and the department over a marked cheque until I saw the report in the papers, and I never heard it discussed again until my hon. friend mentioned it in the corridor the other night. I know nothing of the case except what was in the papers. The minister never consulted me in the matter or discussed it with me.

I want to say something else to my hon. friend. As a business man, he knows the rules of the department. The sales tax is compiled at the end of the month, and we

are all given thirty days in which to make our payments. There is not an industry in the town of Kincardine with which the commissioner of taxation has ever had any difficulty except this particular industry, and I know of no reason why this man should not pay his cheque the same as my firm and every other firm in the town does. I knew nothing of the fact that he was having a difference with the department, and I can assure my hon. friend that the last thing I would do would be to ask anybody to advise Mr. Mitchell to consult me because I know he would not consult me in any case.

Mr. BENNETT: Quite so.

Mr. MALCOLM: And I certainly made no suggestion of the kind. I was not particularly interested in his quarrels, of which he has plenty with a lot of people.

Mr. BENNETT: The animus of the minister has certainly been displayed. So far as his statement is concerned, I am bound to accept it. I am just giving the version that was prevalent on the day the court was sitting when I happened to be in Kincardine, and I resolved that I would bring the matter to the attention of this parliament. It is all very well for the Minister of Trade and Commerce to say: Why should one man be treated differently from other manufacturers? Will he say that in every instance his firm has sent a marked cheque for sales tax?

Mr. MALCOLM: I can assure my hon. friend that the practice in our business is to pay the taxes we owe in the way the regulations prescribe. I am not in touch with my accountant, but I will guarantee that any regulation of the Department of National Revenue is carried out in the payment of taxes by every firm with which I am associated.

Mr. BENNETT: That is not the question. The question I put was this: Would the minister say that he had never paid the sales tax other than with a marked cheque? Payments in this country have to be made in money, and money means actual specie or legal tender, or a marked cheque. If the officer takes the risk of accepting other than a marked cheque, he is responsible if any loss occurs and must make it good. I can give the minister instances in which marked cheques have not been asked for in connection with the sales tax, and quite properly so. This tax is administered on the theory that it will be administered with as little friction as possible to those who are concerned, and when you are dealing with firms whose credit is beyond all doubt, which have always credit balances, the officials of the department are not going to send down every time to get a cheque marked. That would be a nuisance. The regulation is simply for the purpose of making the officers realize that they must be responsible if they accept payment in other than the form prescribed.

Mr. EULER: Would my hon. friend suggest that the collector should discriminate?

Mr. BENNETT: It is not discrimination.

Mr. EULER: Is my hon. friend suggesting that the officer should use his own judgment as to whether he shall accept a marked cheque or not?

Mr. BENNETT: I say they do.

Mr. EULER: As a matter of fact my hon. friend would not advocate that as a principle.

Mr. BENNETT: I am not putting it as a principle. The discrimination comes the other way.

Mr. EULER: I know of no discrimination. All the collectors receive the same instructions.

Mr. BENNETT: The whole administration of the sales tax is calculated to suit the convenience of business men so far as possible, because, after all, it is becoming almost a nuisance tax.

Mr. EULER: Primarily it is a source of revenue.

Mr. BENNETT: And the idea is to collect that revenue. Will the minister say that he has experienced any loss through the lack of marked cheques?

Mr. EULER: Prior to the order, yes.

Mr. BENNETT: How much? Because the crown has a prior claim over anybody else, so there never can be any loss, even in bankruptcy.

Mr. EULER: We have not any now.

Mr. BENNETT: You could not have anyway. You take priority over everybody else.

Mr. EULER: No, not over mortgages. The law was changed.

Mr. BENNETT: But you do take priority, and with respect to a mortgage that is something altogether different. I am dealing with the assets of an individual, and I say that you take priority over everybody else.

Mr. EULER: Even the bank has priority over us.

Mr. BENNETT: The bank has priority only in limited cases, not with respect to this tax.

Mr. EULER: In all cases, under section 88.

Mr. BENNETT: No. That was a special provision provided for manufacturers where the goods are, to use the language of the street, hypothecated. That is another thing altogether. I am familiar with the Bank Act, whatever else I may not be familiar with, and I know that section pretty well at any rate. I merely give this as an illustration of what may sometimes happen.

Mr. POULIOT: In the province of Quebec a new debt is created when a cheque or a note is issued when not marked without novation; and so the privileged creditor might lose his privileged claim if he accepted an unmarked cheque under such conditions.

Mr. BENNETT: That does not arise in this case. This is not a question of novation.

There is another matter, the question of special appraisers. I have many communications here; I make a habit during the year to keep special files relating to the different departments so that when the estimates come up I shall be prepared. As I said to the Minister of the Interior, I passed up a lot of the material I had before me because I happened to be in a difficult position with respect to the west.

The question of appraisers is one of very great difficulty. I should like to know what appointments have been made during the last year of special customs appraisers in the three western provinces, and in reference to which branches of trade, hardware, dry goods and so forth.

Mr. EULER: Does my hon. friend want the number?

Mr. BENNETT: That will do, the number in each province, without the names.

Mr. EULER: We have not that information.

Mr. BENNETT: All right.

Mr. EULER: We make appointments wherever vacancies occur.

Mr. BENNETT: The minister will recall that a few years ago when the customs investigation was in progress it was brought out that goods were not properly appraised, and a special effort was to be made to have a proper valuation placed on importations at border points. To do that, we appointed special appraisers. The minister asked and obtained from parliament authority to do so without regard to the Civil Service Act, and I was endeavouring to ascertain how many had been appointed in each branch of merchandise, hardware, dry goods, and so forth, in the western provinces. If the minister has not the information, all right.

Mr. EULER: I regret that it is not here.

Mr. BENNETT: The other question was in regard to the preventive service. I do not mean the old-time preventive service, but the preventive service set up under the act—ships, automobiles, and so on. I have already indicated to the minister a complaint made in connection with Halifax, and I think others have done so with respect to Nova Scotia generally as well as other parts of the country.

Mr. EULER: If my hon. friend will be a little more definite I may be able to satisfy him.

Mr. BENNETT: What appointments have been made during the year, what vessels have been purchased or leased, and what was the character of the service carried on on the seaboard? I was trying to get the two, inland and seaboard, under the special legislation which we passed two years ago to meet the wishes of the minister.

Mr. EULER: The salaries of the land force amounted to $627,595; patrol boats and provision for new boats, $922,317; patrol cars in operation, 120, valued at $139,600; travelling expenses, investigating and patrol officers, $123,000. Those items total $1,812,512. In British Columbia there are sixteen officers. In the western district, comprising Alberta, Saskatchewan and Manitoba—I am afraid my hon. friend is not getting this information.

Mr. BENNETT: My hon. friend knows it is not the information I want. I have those figures before me.

Mr. EULER: I do not know what the hon. gentleman wants. If he will wait a moment the chief of the preventive service will be here.

Mr. BENNETT: I will not bother the minister now; he will not finish to-night anyway.

Mr. MACDOUGALL: Is special consideration given to returned soldiers for appointment as preventive officers?

Mr. EULER: We observe the same principle, as far as possible, that we do in the income tax department.

Mr. MACDOUGALL: I should like to know why in my county all the preventive officers have been selected for the reason that they are dyed-in-the-wool supporters of this government. There is not a single preventive officer in my county who is a returned soldier, although there are many returned soldiers in the locality who would be eligible for the positions. Is a former rum seller eligible for a position in the preventive service?

Mr. EULER: Not if we know it.

Mr. MACDOUGALL: The first man arrested for operating an illicit still in my county proved to the satisfaction of the court that he had purchased the still from the preventive officer who arrested him. The preventive service in Nova Scotia is nothing but a cheap political machine.

Mr. BENNETT: And in other parts of the country as well.

Mr. MACDOUGALL: The thing is an absolute farce.

Mr. EULER: I merely say in reply, Mr. Chairman, that no appointment is made without the recommendation of the chief of the preventive service.

Mr. BENNETT: Where does he get his recommendations?

Mr. EULER: The chief of the preventive service is instructed never to recommend anybody who he is satisfied is not competent.

Mr. MACDOUGALL: Take my own constituency of Inverness; upon whose recommendations did the minister make the appointments? No single appointment was made at the request of the chief of the preventive service; it was made at the request and upon the recommendation of the defeated Liberal candidate.

Mr. EULER: I merely have to repeat that there has not been one appointment made except upon the recommendation of the chief of the preventive service.

Mr. MACDOUGALL: Every appointment in my constituency has been made upon the recommendation of the defeated Liberal candidate.

Mr. EULER: Perhaps I am wrong—

Mr. MACDOUGALL: The minister is wrong.

Mr. EULER: My hon. friend does not even know what I am going to say. Probably I am wrong anyway, he thinks. I was going to say that I doubt very much whether he himself made any recommendations to me with regard to any officer whom he desired appointed.

Mr. BENNETT: Why not?

Mr. MACDOUGALL: Because it would be of no use. The preventive service in Nova Scotia is a political machine. Every single appointment made in my county was made upon the recommendation of the defeated Liberal candidate, and I challenge the minister to contradict that statement.

Mr. EULER: I have already answered it.

Mr. FRASER: I notice a vote to provide for the expense of maintenance of revenue cruisers, and so on, amounting to $1,812,000. It was $2,007,000 last year. How much of that vote has been spent?

Mr. EULER: The total expenditure last year on the preventive service was $1,658,-864.51. There was some liability on account of boats building which was carried over into the next year.

Mr. MACDOUGALL: How many months in the year are those preventive officers supposed to work?

Mr. EULER: Nearly all full time—twelve months in the year. The boat crews are not on full time.

Mr. MACDOUGALL: Are they paid by the month or by the year?

Mr. EULER: The land officers are all on a yearly basis. The crews on the boats are on a monthly basis.

Mr. MACDOUGALL: I know one man in my county who has been home on his farm six months, and never did any work at all in that period as a preventive officer. If the minister's answer is correct, that man was paid for doing nothing. This shows what a fine political machine the preventive service is.

Mr. EULER: We have some part time officers.

Mr. MACDOUGALL: This is not a part time officer.

Mr. EULER: I will make inquiries, and if any officer in his constituency spent six months on his farm when he was supposed to be working for the department, I can assure my hon. friend he will be fired.

Mr. MACDOUGALL: I thank the minister, for he will lose a very good Grit worker.

Mr. EULER: If my hon. friend will give me a little more definite information I shall be very glad to have it.

Mr. BENNETT: Could the minister furnish a list of the appointments of officers, together with their addresses, made to these special services during the past year in Nova Scotia, New Brunswick and Prince Edward Island? I think that could be done without much difficulty.

Mr. EULER: Of the land force only?

Mr. BENNETT: No, of this class of officer that we made special provision for.

Mr. MACDONALD (Richmond): The patronage crew.

Mr. EULER: The return was tabled, as the law calls for.

Mr. BENNETT: I want the return supplementing that, bringing it down to date.

Mr. EULER: My hon. friend wants a return showing the appointments made from April 1, 1929, to April 1, 1930, for the maritime provinces?

Mr. BENNETT: Quite so.

Mr. EULER: Names and addresses?

Mr. BENNETT: That is all. I have a number of letters before me.

Mr. EULER: I am not sure that it will be possible to have the information when the house opens to-morrow.

Mr. BENNETT: Are they as numerous as that?

Mr. EULER: We would have to search several records to get the information.

Mr. BENNETT: Now, now—

Mr. EULER: My hon. friend is smiling, and I also have to smile. I must say that I do not know how long it will take to get the information he wishes, but I am perfectly willing to give him all the information he wishes to have. I cannot say whether it will take five minutes or an hour.

Mr. BENNETT: I am sure the hon. minister knows that no one expects him to do that. There have been a number of appointments made, however, in relation to which the hon. member for Inverness has spoken. I have a number of letters before me which might or might not be wholly accurate.

Mr. EULER: Often they are not.

Mr. BENNETT: That is true; we cannot always understand what people write when prejudiced; sometimes the statements they make are not wholly accurate. On the other hand it should not be very difficult to prepare a list of those who have been appointed from April 1st, 1929, to April 1st, 1930, in the three maritime provinces, giving their names and addresses. Unless the signs fail, I am sure the information would be very interesting.

Mr. MACDONALD (Richmond): On what recommendations does the minister accept captains on patrol boats?

Mr. EULER: The same recommendations upon which land preventive officers are accepted; we accept the recommendations of the chief of the preventive service.

Mr. MACDONALD (Richmond): From whom are the recommendations generally received? From whom does the chief preventive officer get the recommendations?

Mr. EULER: The chief preventive officer makes inquiry through the Marine department and through the examiner of masters and mates of the naval service. We have a record of their past services and satisfy ourselves as to their qualifications and as to where they have been employed.

Mr. MACDONALD (Richmond): Has the department in every case a record of past services? And by the way, I may tell the hon. member for Yorkton (Mr. McPhee) that I may go over and see him for a minute or two.

Mr. McPHEE: I invite my hon. friend to come over.

Mr. MACDONALD (Richmond): You are one of the type who would not stay, if I did go over.

The CHAIRMAN: Order.

Mr. MACDONALD (Richmond): Am I to understand that the past histories of these men are known to the department? Does the minister mean to give me that information? I ask that question for a very definite reason.

Mr. EULER: So far as we know all the captains of the vessels are thoroughly reliable men; if we find they are not, they are dismissed. I may say that we have had to dismiss some of the men in the preventive service; it is very difficult to get reliable men, and we have had to let a good many of them out; probably we will have to do so in the future.

Mr. MANION: Reliable from a navigation or a political standpoint?

Mr. EULER: I know my hon. friend does not want an answer to that question.

Mr. MACDOUGALL: The minister said he would dismiss certain men for doing certain things. I may tell him that I want to have one of the preventive officers dismissed before the election. I ask the minister if he will dismiss from the preventive service a man in connection with whom it can be proved that he has been engaged in the liquor traffic for years.

Mr. BENNETT: Hear, hear.

Mr. MACDOUGALL: He is a preventive officer, and for years he has sold liquor in the province of Nova Scotia.

Mr. EULER: If my hon. friend can produce the proof, yes.

Mr. MACDOUGALL: I can, and gladly.

Mr. MANION: Does the minister know of any officer of that sort in the maritime preventive service who is a Conservative?

Mr. EULER: There might be, but I am not sure.

Mr. BENNETT: But so far as the minister knows, there are none.

Mr. EULER: I do not know that there are any, to be quite frank about it.

Mr. MACDONALD (Richmond): Since the minister has made the statement that the record is known in connection with each of these men engaged in the maritime preventive service, would he be willing to give this house their histories, and would he tell the house how many of them during the last four years have been engaged in the rum running business?

Mr. EULER: Is my hon. friend asking that question seriously?

Mr. MACDONALD (Richmond): Yes, I am.

Mr. EULER: I am perfectly willing to be fair in the matter, and perhaps I can be more or less humorous in connection with it; but surely my hon. friend does not ask me to say that I know how many men in that service are engaged in the rum running business.

Mr. MACDONALD (Richmond): According to the minister these men were appointed on their records, and he has told us that their records are known to the department, and because of their records they have received appointments. In view of that statement I want to know exactly how many of these men were known to the government when they were appointed.

Mr. EULER: Not one.

Mr. BENNETT: You have not their records, then?

Mr. MACDONALD (Richmond): I know of one man who was on board a rum runner, and he was placed in the preventive service, and refused to sign a document stating that he had not been aboard a rum runner.

Mr. POULIOT: I must take this opportunity to recommend that the Minister of National Revenue should appoint the two Siamese twins on the other side of the house to act as preventive officers.

Mr. MACDOUGALL: In reply to the suggestion made by my hon. friend, I think it would be a good idea to have him appointed to the preventive service. With his outstanding qualifications, with the absolute intellectual abyss which does duty as his head, he would be quite in line with the calibre of the men the minister is appointing to do this work in the province of Nova Scotia.

The CHAIRMAN: Shall the item carry?

Mr. BENNETT: No.

Mr. MACDONALD (Richmond): I corresponded with the chief preventive officer asking for an interview. I did not meet him, but the secretary to the Minister of National Revenue came to me and asked me if I had any information to give. I certainly was not going to give my information to any man in a subordinate position. I had information regarding certain men who had been in the preventive service, and I had information which I had obtained from sea captains.

Some hon. MEMBERS: Carried.

Mr. BENNETT: No. You will not make any progress that way.

Progress reported.

On motion of Mr. Mackenzie King the house adjourned at 1 a.m. (Thursday).

## Thursday, May 29, 1930.

The house met at two o'clock.

### QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GORVERNMENT VESSELS

Mr. MACDONALD (Richmond-West Cape Breton):

1. Is the ship Connestoga now owned by the government?
2. If so, from whom was she purchased?
3. What price was paid for the ship, and what amount has been expended on her for repairs, alterations, etc?
4. What is her speed, and is such speed as represented when ship purchased?
5. What is the present condition of the ship and how many days has she been in actual service since purchase?
6. What was the date of purchase?
7. Is the ship Vigilant owned or hired by the government?
8. If purchased, what was purchase price?
9. How much has the ship cost the department so far, for hires, repairs, etc?
10. How many days was the ship on patrol service outside harbours during year?
11. What is the demonstrated speed of the boat, and is it equal to speed represented?
12. What is the coal consumption of this ship on maximum speed for 24 hours?
13. Who recommended this boat and has she proven equal to service required?
14. Does the government own the boat Fleur-De-Lis?
15. What has been her cost in purchase price, repairs, etc?
16. Has she proven suitable for coastal service under all weather conditions?
17. Does the government own the boat Bayhound?
18. If so, from whom was she purchased, price paid, and amount spent on repairs, etc?
19. Does the government own the boat Preventor?
20. If so, what purchase price was paid, and what amount has been spent on repairs, etc?
21. Has the boat proved suitable for coastal service, or has she suffered damage while so engaged?
22. Were any of the crew injured in such service, and what were their names?
23. Have original plans of this boat been changed, and does she differ from the above named Fleur-De-Lis?
24. Is it a fact that this boat was unable to make the passage from Louisburg to Sydney, on a day when the motor boat Stumble In made such passage?
25. What is gross amount expended on this ship to date, and how many days has she been in service at sea?

Mr. EULER:

1. Yes.

2. James Playfair.

[Mr. Bennett.]

3. (a) $70,000. Ship thoroughly overhauled, reconditioned and fitted out for patrol duty at owners' expense under agreement of purchase.

(b) Cost of overhaul and repairs since date of purchase $8,915.

4. (a) Fifteen to sixteen knots. (b) Yes.

5. (a) First class; (b) 1928: 150 days, exclusive of boiler cleaning; 1929: 190 days, exclusive of boiler cleaning.

6. December 9, 1927. Delivery taken May 13, 1928.

7. No.

8. Answered by No. 7.

9. Vigilant under charter to the Department of National Revenue during the years 1927, 1928 and 1929. Charter expired December 15, 1929. Total cost to the department for the period under charter, covering rental and repairs, etc., $70,321.53. Vessel returned to owners October 27, 1929.

10. 1927; 128 days. 1928; 198 days 1929; 230 days.

Note: First on patrol July 26th, 1927.

11. (a) Thirteen and one-half knots.

(b) No.

12. Twenty to twenty-five tons for twenty-four hours at maximum speed. Average coal consumption per day in actual service, eleven to twelve tons.

13. (a) Chief of the Customs-Excise preventive service, after the vessels had been thoroughly examined by technical officers of the Naval Service, Department of National Defence.

(b) Yes.

14. Yes.

15. (a) Contract price, including extras, $306,200.

(b) Repairs, etc., $350.

16. Yes.

17. Yes.

18. (a) Sir Charles Gordon.

(b) $25,000.

(c) Cost of changing power plant from steam to Diesel and fitting boat out for patrol duty, $33,400.

19. Yes.

20. (a) Contract price, including extras, $295,490.

(b) $810.

21. (a) Yes.

(b) Suffered slight damage to pilot-house and upper works during month of January, 1930, through being hit by a tidal wave.

22. No.
23. (a) No.
(b) No.
Note: Some of top weight removed from both vessels with a view to improving stability, having in mind ice conditions off the Nova Scotia coast in the winter season.
24. No.
25. (a) $300,607.
(b) 109 days to date.
Note: This ship only taken over from builders on January 4, 1930.

TATAMAGOUCHE, N.S. CUSTOMS OFFICE

Mr. MacNUTT:

1. Is there any customs officer at Tatamagouche, in the county of Colchester?
2. Is there any such customs office or customs sub-office at Tatamagouche, in the county of Colchester? If not, when was the same abolished?
3. What was the revenue at this office for its last year?
4. What was the annual salary of the officer in charge?
5. What is the nearest customs office from which vessels may make entry to or receive clearance from Tatamagouche harbour?
6. Is it true that baggage and luggage arriving at Tatamagouche from places outside of Canada must first be examined at either Amherst or Pictou?
7. Is there any customs officer nearer to Tatamagouche than Amherst or Pictou who can examine baggage or luggage landed at Tatamagouche?

Mr. EULER:

1. Yes.
2. Tatamagouche was closed as an outport of customs on the 1st March, 1929, and the postmistress was employed from that date to make collections on dutiable postal parcels.
3. $782.33 import duty, and $420.25 excise taxes, collected from 1st April, 1928, to the 1st March, 1929.
4. $200.
5. The nearest customs office to Tatamagouche harbour at which foreign vessels may enter and clear is Malagash. During the fiscal years 1926-27, 1927-28 and 1928-29 no foreign vessels reported in or out at Tatamagouche.
6. In addition to Amherst, Pictou and Truro, baggage for Tatamagouche arriving by rail may be examined at the boundary, and if arriving by vessel may be examined at the seaport of entry.
7. No.

SOLDIER SETTLEMENT BOARD—THOMAS MCILWRAITH

Mr. McGIBBON:

1. Does Mr. Thomas McIlwraith hold a farm from the Soldier Settlement Board in Manitoba?
2. If so, how much is his indebtedness as to this farm?
3. Is he up to date in his payments to the Soldier Settlement Board?

Mr. STEWART (Edmonton):

1. Not now. Agreement was rescinded 29th of January, 1929.
2. Answered by No. 1.
3. Answered by No. 1.

## PROPOSED CAUGHNAWAGA BRIDGE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the house go into committee forthwith to consider the following proposed resolution:

That it is expedient to bring in a measure respecting the construction and maintenance of a bridge over the St. Lawrence river at Caughnawaga, and to empower the governor in council to authorize the Minister of Finance to enter into a contract with the corporation created to construct and maintain the said bridge.

He said: May I be permitted to give a word of explanation with regard to this notice of motion which appears on the order paper of to-day in the name of the Minister of Public Works (Mr. Elliott). The reason the resolution appears at the moment is due to an oversight which I shall explain. It is not in consequence of any last minute efforts to put through a piece of legislation. In 1928 the late Hon. Mr. Robb, then Minister of Finance, sent a communication to the Minister of Lands and Forests of Quebec, in reply to one from the Quebec government, in which on behalf of the government of Canada he undertook to cooperate in the construction of this bridge. I will read the letter because it will place the whole facts on record. It is as follows:

Ottawa, June 27, 1928.

My Dear Mercier:—

In reference to representations made by you concerning a proposed bridge over the St. Lawrence river between the Caughnawaga Indian Reserve and some point on the Island of Montreal, I am writing to inform you that provided the government of the province of Quebec is prepared to be responsible for the financing, either by guarantee as to principal and interest or by cash advances, of two-thirds of the amount of debentures issued for the construction of such bridge, the Dominion government, in view of the fact that the bridge will connect with the south shore of the St. Lawrence river on the Caughnawaga Indian reserve, is prepared to introduce at the next session of parliament a measure to authorize the guaranteeing of the payments of principal and interest of one-third of the amount of the debentures authorized to be issued by an act of the Quebec legislature entitled "An Act respecting the Construction and Maintenance

of a Bridge over the River St. Lawrence at Caughnawaga," the total amount of such debentures not to exceed one million seven hundred thousand dollars.

Yours faithfully,

Jas. A. Robb.

Owing to the fact that there was some delay in the introduction of the bill at Quebec or need for its amendment, the matter was not proceeded with by the present administration; but at the beginning of this year I received from the Hon. Mr. Mercier, Minister of Lands and Forests, a communication enclosing a copy of the letter from Mr. Robb and reminding me of the undertaking given by the Dominion government promised in Mr. Robb's letter, and stating that the Quebec government was introducing the necessary legislation this session. I have since received a further communication that the legislation has been introduced and passed by the Quebec legislature. When the last communication was received, I was under the impression that our obligation in the matter could be met by an item in the supplementary estimates and I had my secretary so advise the Department of Finance. After the estimates were prepared, or rather during the consideration of them, it was discovered that a bill rather than a sum in the estimates would be necessary. What the government now asks of the house is permission to introduce legislation necessary to implement the undertaking given to the Quebec government.

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 and the house went into committee, Mr. Johnston in the chair.

Hon. R. B. BENNETT (Leader of the Opposition): I might well have desired that this resolution had been introduced earlier in the session. I can quite understand the difficulties to which the right hon. the Prime Minister has referred. It is always very unfortunate that legislation of this character should be introduced in the closing days of the session when an election is not far distant, as I am sure my hon. friend the Minister of Marine and Fisheries (Mr. Cardin) will agree. It seems to be quite clear that a promise was given in 1928 for work apparently that was to be begun the next year. The legislation does not seem to have been passed until 1930 by the province of Quebec, and presumably the obligation still continues. I suppose the theory is that when a promise is given by the crown it must be implemented, whoever may have given it and whoever may have to carry it out. So I am not going to interpose any obstacles to the introduction of the bill, but when the bill is before us I may have something further to say once its terms are known.

Mr. MANION: In what constituency is this bridge?

Mr. LAPOINTE: Caughnawaga is in Laprairie-Napierville and Lachine is in Cartier.

Mr. T. L. CHURCH (Toronto Northwest): Is the government going to follow this same practice with regard to the rest of Canada, especially the building of bridges in the province of Ontario? This resolution is outside the powers of this parliament because this is not an international bridge, nor an interprovincial bridge, nor does it affect navigation. Those are the only three grounds upon which this parliament can vote money for bridges. This is a purely municipal undertaking or a bridge between municipalities all in the same provnces—Lachine and Caughnawaga. The city of Toronto has had a contract with this government for seventeen years since 1913 for the building of a bridge across to the island at Toronto, and the government have backed out of the agreement although this order in council is enforceable in the exchequer court. There should be equality of treatment for all the provinces, and if the government is going to do this for the province of Quebec it should do the same thing for the province of Ontario, the maritime provinces and every other province. The British North America Act, as a matter of fact, does not allow aid to be granted for bridges that are purely municipal undertakings.

Mr. IRVINE: I wish the minister would explain briefly what justification there is for this parliament having anything to do with the building of this bridge.

Hon. CHARLES STEWART (Minister of the Interior): Briefly, the reason why the federal government is interested in the construction of this bridge is that the southern end of the structure is on the Caughnawaga Indian reserve. We have spent considerable money on this reserve for the construction of a highway leading to the counties south of the St. Lawrence river and to the United States. We are forced to do this work on all the reserves where public highways pass through them, for the convenience of the public as well as for the convenience of the Indians. This matter first came to my attention in 1926 on representations made by the Hon. Mr. Robb. It was suggested that as the

Department of Indian Affairs was interested, a sum of money should be devoted towards the construction of this bridge. Negotiations went on with the Quebec government for some time, but no definite arrangement was made, although we did admit some responsibility. Later on, the Quebec government decided to give the construction of this bridge to a company and to charge tolls. They are now asking that there be a joint guarantee of the interest on the bonds which the company will sell for the purpose of getting funds to construct the bridge, and our share of the guarantee was deemed to be for one-third of the interest on the bonds.

Mr. IRVINE: Will this be a toll bridge?

Mr. STEWART (Edmonton): Yes.

Mr. HEAPS: What company is constructing the bridge?

Mr. STEWART (Edmonton): I cannot say.

Mr. IRVINE: It will be a private corporation?

Mr. STEWART (Edmonton): My hon. friend will have to get that information from someone else. I am simply explaining how we are interested.

Mr. BENNETT: When the bill is before us we shall be able to discuss the matter intelligently, and I would suggest that the minister defer his explanation until we have the terms of the bill before us and know exactly what we are talking about.

Resolution reported, read the second time and concurred in. Mr. Elliott thereupon moved for leave to introduce Bill No. 346, respecting the construction and maintenance of a bridge over the St. Lawrence river at Caughnawaga.

Motion agreed to and bill read the first time.

Mr. ELLIOTT moved the second reading of the bill.

Mr. BENNETT: Having the bill before us, we can now make some intelligent criticism. The statute incorporating the bridge company appears to have been passed in 1928 and the promise given by the late minister was to be implemented in 1929. There is no reason why the matter should not have been proceeded with. Apparently this is a private corporation, and if it is, I find it very difficult to bring my mind to the view that we should support it. I think that the minister should now give us a very full explanation, and if possible a copy of the statute incorporating the company, for before we give the aid of this parliament to an enterprise of this character we should know what we are giving it to. The observations made by my friend from Toronto Northwest (Mr. Church) have a singular bearing on the matter if it is a private corporation organized for gain charging tolls on traffic and we are asked to give a guarantee or supply a part of the cost. I am sure the Prime Minister has not had an opportunity to look into the terms of the act of incorporation of the bridge company, but that is an all important matter at the moment so far as this parliament is concerned.

Mr. CARDIN: The corporation, organized under Quebec legislation, is a public corporation. It is not a private enterprise at all.

Mr. GARDINER: Will the minister explain what he means by a "public corporation"?

Mr. CARDIN: My colleague the Minister of Public Works (Mr. Elliott) has a copy of the bill before him.

Hon. J. C. ELLIOTT (Minister of Public Works): Mr. Speaker, the necessity for this legislation did not arise in 1928 or 1929, due to the fact that the bill incorporating the company—and I shall be very glad to hand to my hon. friend a copy—was passed in 1928 by the Quebec legislature. It did not provide for anything beyond vesting power in the company to construct the bridge and to charge tolls and for their regulation. The first part of the act sets out that it was in the interests of the cities, towns and villages situated in the district on the south shore of the St. Lawrence and of the cities, towns and villages situated on the island of Montreal and of the whole province to construct a bridge connecting the north and south shores of the St. Lawrence opposite the Caughnawaga reservation on lake St. Louis, and that to ensure the construction of such bridge it was necessary to create a corporation with the powers requisite for its purpose.

Mr. BENNETT: Why was that necessary?

Mr. ELLIOTT: It is a bridge over the St. Lawrence—

Mr. BENNETT: Oh yes.

Mr. ELLIOTT: —and it was necessary—

Mr. BENNETT: The privy council has held that the bed of the river belongs to the province.

Mr. ELLIOTT: That is the practice, I believe, followed in the province of Quebec with regard to all bridges of this kind. That act contained no provision for the assistance which the province of Quebec was giving for the construction of the bridge. An act was passed this year—and I have a copy of it also—providing for the province of Quebec to assist in the construction of the bridge by giving a guarantee of this kind; that is, it is a toll bridge, and it is expected that at a very early period in the life of the bridge it will pay its own way; but in case of a deficit an assurance has been given by the province of Quebec to pay two thirds of the costs of operation and maintenance, interest on any sums borrowed for the purpose of construction and the sinking fund, less the tolls. It is possible that neither the province nor the Dominion may be called upon to pay anything; but in the early stages, the first few years at any rate, it is likely the amount of the tolls may not be sufficient to pay interest on the cost of construction, and expenses of operation and maintenance.

Mr. MANION: Who is putting up the money in the first place for construction?

Mr. ELLIOTT: The company.

Mr. MANION: Who are the incorporators?

Mr. ELLIOTT: The incorporators are set out in the act.

Mr. DUNNING: There is no private interest in it.

Mr. CANNON: They are appointed by the lieutenant-governor in council.

Mr. ELLIOTT: The act provides that:

> The lieutenant-governor in council may authorize the issue of letters patent, under the great seal of the province, for the purpose of forming a corporation under the name of "The Corporation of Lake St. Louis Bridge" or under whatever name he may deem—

Mr. HANSON: Who is to own the issue of the capital stock?

Mr. ELLIOTT: I think this will give my hon. friend the information he desires. Let me quote the act further:

> Such corporation shall be composed of five members, appointed in accordance with section 2, for the objects hereinafter mentioned. The members of the corporation shall be appointed by order of the lieutenant-governor in Council. The corporation shall elect a president from among its members. The affairs of the corporation shall be administered by its members, three of whom shall form a quorum. Any member of the corporation may be dismissed for cause by an order of the lieutenant-governor in council.

[Mr. Bennett.]

Provision is made for filling vacancies. The act also provides:

> The corporation shall appoint its officers and employees, and fix their remuneration, subject to the approval of the lieutenant-governor in council.
>
> As to the rest, the corporation shall be governed by the provisions of the civil code respecting corporations, and it may:
> (a) Have a common seal and alter it at will;
> (b) Appear before the courts;
> (c) Administer its property,—

And so on. The last paragraph provides that the corporation:

> may adopt all by-laws, ordinances and rules necessary for its organization, government and management.

Mr. MANION: How do they raise the funds to build the bridge?

Mr. ELLIOTT: Section 9 (e) provides that the corporation may:

> Issue bonds or other securities of the corporation and sell, exchange, pledge or give the same in guarantee.

Sir GEORGE PERLEY: Who will own the bridge after the bonds are paid?

Mr. SPEAKER: In order to facilitate answers to the questions being asked by hon. members perhaps it would be better to go into committee stage.

Mr. BENNETT: Giving of its second reading to the bill involves approval of its principle. If, Mr. Speaker, our friends are content that the bill should go into committee with a distinct reservation of our objection to the principle of it, we are willing to expedite the business of the house. As I am at present advised, I fear this is a measure the principle of which I cannot approve.

Mr. SPEAKER: Is the house ready to adopt the motion?

Mr. G. G. COOTE (Macleod): I think, Mr. Speaker, it is unfortunate that we have got into the habit of adopting resolutions without knowing what they contain. I have always understood that resolutions were intended to acquaint the house with the purpose of the bill which would follow. Certainly by adopting the resolution we signify a measure of approval of the subject matter of the bill to be introduced.

Mr. SPEAKER: I am in the hands of the house. If the house thinks at this stage several questions may be put by hon. members, I am ready to forget the rules.

Mr. COOTE: I just want to make it clear, Mr. Speaker, that I think the house should not be put in the position of having to approve the principle of a bill like this, so that we could get the bill into committee and secure information from the minister in charge of it.

Mr. BENNETT: I suspect that I must have some responsibility for having suggested that if the bill were read we would find in print the terms of the proposed measure instead of taking up the time of the house listening to a verbal explanation and reading the bill afterwards. I assure the member for Macleod (Mr. Coote) that it was only with that object in view that I made the suggestion.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, the principle of the bill is decided on the second reading. If the house adopts its principle the bill is beyond our power. The private bills committee of this house has been considering the principle of the construction of bridges by private corporations at Sarnia, Windsor, Cornwall and in the Niagara district. The province of Quebec are to appoint the five members of the board to build and operate the bridge. The Dominion and municipalities by the Quebec Act of 1928 appoint no one. It is taxation without representation. The day has passed when the provinces of Quebec and Ontario should maintain toll bridges. There are few such bridges left now across in the United States, and it is most unfortunate that tourists and persons entering the province of Quebec should have to pay a toll on a municipal bridge. I wonder what the tourists would think of such a system; they would wonder what kind of a country we live in when we go to the extent of exacting tolls which should never be charged for a bridge on a highway which is purely municipal. The province of Ontario has a Department of Highways in which during the last year they spent $11,000,000 or $12,000,000 on construction, and I can say at this time that that province is entirely opposed to the whole system of tolls. These bridge concession bills granted to private parties in the past three sessions have resulted and will result in making millionaires out of the recipients of such legislation.

In my view the subject under discussion represents a clearly municipal undertaking; it merely connects one municipality with another. It is not interprovincial in the legal sense. Neither is it international, running from the north shore of the St. Lawrence to United States territory, nor does it affect navigation. Those are the only grounds upon which this house can vote money for the building of bridges.

In my opinion this is a political bridge with the object of pleasing the people in Laprairie-Napierville and Beauharnois where there have been some difficulties over the vegetable duties in the tariff. To attempt to pass this bill in the dying hours of the session is not fair either to this house or to the country. The provinces of Ontario, British Columbia, the maritime and the western provinces will be obligated to pay for this municipal bridge. This government should not give such a franchise to private corporations and thereby make millionaires. The government has come along and has stated that it would in effect build a political bridge on the five cent principle. This is what I would call a five cent bridge bill, because the five cent principle will certainly apply to the building of this bridge. The building of this bridge is a purely political proposition lodged on the eve of an election.

Mr. ELLIOTT: Perhaps I would assist in the discussion if I were to say that in the first place there are no profits to be made by any individuals in connection with this bridge.

Mr. HANSON: The legislation you have read does not so state.

Mr. ELLIOTT: Oh, yes.

Mr. HANSON: My question was not answered as to who owned the shares in the corporation.

Mr. ELLIOTT: There are no shares; this is under the authority of a commission appointed by the province of Quebec. The bridge is to be constructed, guarantees are to be made by the province, and the Dominion is to contribute towards deficits. The Dominion is to pay one-third and the province two-thirds of any deficits which might accrue each year.

Mr. MANION: What becomes of the profits, if there are any?

Mr. ELLIOTT: They are used to reduce the load, to pay off the sinking fund, and for maintenance. The tolls are used for the purpose of defraying the costs of maintenance and operation, and the interest on any loan which may be advanced for the purpose of construction and sinking fund.

Mr. MANION: Supposing there is a profit after paying off the original loan, what will become of it?

Mr. ELLIOTT: The tolls would be reduced. The province of Quebec retains control over

the tolls which are to be charged, and the policy is to reduce those tolls accordingly. The idea is to make it a self-sustaining proposition so far as possible.

Mr. IRVINE: Will the bridge ultimately be free?

Mr. ELLIOTT: Yes.

Mr. GARLAND (Bow River): Is the corporation in this case the province of Quebec?

Mr. ELLIOTT: Appointees of the province of Quebec.

Mr. GARLAND (Bow River): Is it publicly owned?

Mr. ELLIOTT: Yes.

Mr. SPEAKER: I think I must call the house to order; the discussion is irregular. We are discussing the principle of the bridge construction, and only one speech may properly be delivered by each member. There may be no cross-questioning, because we have not reached the committee stage.

Mr. HEAPS: Is the federal government represented on this board?

Mr. ELLIOTT: No, there is no provision in the act to that effect.

Mr. H. B. ADSHEAD (Calgary East): It is very important at this stage to consider the principle of the bill. In this instance we have the province of Quebec entering into an agreement with another corporation to build a bridge.

Some hon. MEMBERS: No, no.

Mr. ELLIOTT: No, it is really forming a corporation.

Mr. ADSHEAD: But it is entirely the business of the province of Quebec. We as the Dominion parliament have no right to enter into an agreement which affects the province of Quebec and this other corporation. As the Minister of the Interior (Mr. Stewart) has told us, because the enterprise touches an Indian reserve we have certain obligations. It may be proper for us to determine what our obligation is in that connection to the province of Quebec. By this bill we are obligating the Dominion parliament to pay $1,700,000 spread over a forty-year period, or about $42,500 each year.

Mr. G. R. GEARY (South Toronto): My hon. friend the Minister of Public Works has emphasized the fact that tolls will be available to pay the expenses of this bridge, and to pay the deficit and something by way of principal. In that connection may I point out to the minister that this matter is in the unfortunate position that the lieutenant-governor in council of the province of Quebec is allowed to set the toll, not the Dominion Railway Board, not the Quebec Commission. The Dominion parliament has no jurisdiction in the matter. I think the government would do well if it were to discount the forty annual payments of $42,500 each and have the obligation paid off. The day of toll bridges is past, and the public would not allow the province of Quebec to maintain a toll on this bridge. The bridge would no sooner be built and the toll charged, than the government of the province of Quebec, having sole jurisdiction in the matter, would allow the tolls to be discontinued.

Hon. LUCIEN CANNON (Solicitor-General): There are several bridges which have been constructed and in connection with which tolls are now being charged; we might take for example the bridges at Vaudreuil and Ste. Anne.

Mr. GEARY: I am not familiar with those bridges.

Mr. CANNON: And what about the Quebec bridge?

Mr. GEARY: I am surprised to hear that.

Mr. CANNON: Well, it is a fact.

Mr. GEARY: I am sure that this bridge which is on a highway leading to the United States would not be allowed to remain as a toll bridge. I think we should reconcile ourselves to that making the future payments in cash, and be through with it. Here is a direct contribution to a more or less local undertaking. On what principle? I do not like to urge other local situations on the minister, but he knows that he has not implemented promises or engagements made on behalf of the government long ago, and I know that is not so through any contrariness on his part. There has been promised a very important bridge to connect the island with the mainland at Toronto. This undertaking was accepted by the government of Canada many years ago, but year after year the government has felt itself obliged to refuse to make an appropriation and I think we have a right to feel somewhat disturbed over the fact that other bridges are going to be constructed which have not been planned for so long. I do believe, Mr. Speaker, that if anything is to be done in this matter—and I do not think this is the proper time to do it—we should have more information and should be able to discuss it at greater length than we are able to do to-day. There should

be some definite arrangement as to these things. My hon. friend the Solicitor General named certain other bridges and told us that they are toll bridges. I know that toll roads are a thing of the past and feel that toll bridges also should be a thing of the past, except perhaps those bridges which are international or interprovincial.

Mr. ELLIOTT: The tolls are fixed by section 17 of the Quebec act, and they are similar to the tolls paid on other bridges of a similar nature in that province. If my hon. friend has ever motored from here to Montreal he will remember that there are at least two toll bridges, one at Ste. Anne and one at Vaudreuil, between here and Montreal.

Mr. GEARY: May I ask the minister one question: Does he approve of toll bridges on highways?

Mr. ELLIOTT: In answer to my hon. friend, if it is a matter of getting a bridge or not getting a bridge, it is better to have a bridge on which you pay a toll than not to have a bridge at all. I am told that the distance which will be saved by the people in I think four or five counties, comprising a large and important and thickly settled district, will amount to thirty-five miles on a trip to Montreal. This bridge has been under consideration since 1910. Some years ago there was a movement on foot, in which the Canadian Pacific Railway interested itself very greatly, to have the bridge joined with the Canadian Pacific Railway bridge, but that plan never was carried through to completion. This way is looked upon by all the parties interested as the best solution that can be arrived at.

Mr. JAMES ARTHURS (Parry Sound): During the course of this discussion there has been only one excuse advanced for a grant of this kind to a purely provincial undertaking and that excuse was advanced by the Minister of the Interior who said that the grant was required or made necessary because one end of this bridge is in an Indian reserve. This is an entirely new policy for this government to adopt. I have had occasion to endeavour to secure a grant for a cantilever section of a railway bridge connecting an Indian reserve in my riding with the mainland, which would cost only a few thousand dollars, but no grant has been made and no assistance given in spite of the fact that on that Indian reserve there is a town of some size under lease by the Canadian National Railways. At any rate, no measure of relief has been given to these other undertakings. It has been said that similar action was taken regarding highways. I think I am correct in stating that in every case in Ontario the provincial government built the highways through the Indian reserve and only received permission to construct that highway, without getting any other assistance at all from the Dominion.

Mr. STEWART (Edmonton): My hon. friend is wrong.

Mr. ARTHURS: That is my information, and I have never known of a case where that has been granted. At any rate I can see no reason why we should pass this bill for an undertaking which to my mind is entirely provincial and which should be regarded in that light.

Mr. M. J. MALONEY (South Renfrew): According to the information given the house by the Minister of the Interior this matter has been under negotiation between this government and the province of Quebec for some time, but I believe this is the first hon. members of the House of Commons have heard of it. Now, in the dying hours of this parliament, and in the dying hours of this government, it seems strange indeed that such a measure should be brought in. It smells badly, and personally I feel that we should hold it up.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I was advised last evening by the right hon. Prime Minister that he thought the government was obligated to bring this measure before the house. At that time I do not think he had the particulars of the bill in mind any more than I had. The position, as has been indicated, is that this is a measure dealing solely with a local matter.

I wonder if the house realizes that this involves consideration of a method adopted as a matter of policy by the government of the province of Quebec in connection with the building of bridges; they provide that those who use the bridges pay for them. As a matter of provincial policy the province of Quebec has a right to do that, and the method it pursues is to create a commission, which is authorized to charge tolls which pay for the bridge, thereby relieving the general taxpayer of any charge for the general construction of bridges in the province of Quebec. That is a matter of provincial policy, and Quebec has adopted and utilized that policy in connection with the construction of bridges in that province. If the government of Quebec desires to continue that policy it is the business of that government; it concerns no one but the people of the province of Quebec, they having found that method advantageous

for their own purposes, and they should be permitted to pursue it in any way they please.

Now, however, we have a bridge which is to cost $1,700,000 at least, because the authorized debentures amount to that sum, and it is proposed to charge tolls to those who use the bridge in order that these debentures may be liquidated both as to principal and interest, the principal being cared for by sinking fund provisions made from time to time. Coming from Montreal to Ottawa with a four passenger car it costs about $2.25 in tolls. That is the result of this policy. I am not quarrelling with that policy, which is purely a matter for the provincial administration, but I protest against this parliament giving one dollar of money directly or indirectly for any toll highway or bridge in Canada unless it be an interprovincial or international undertaking, where the situation of course would be entirely different. That would be easily understood, but when you ask parliament to vote a sum not exceeding $42,500 per annum to take care of possible deficits in connection with the King's highway, I must say that I cannot bring myself to do it. A bridge is nothing more than a part of the King's highway projected over a stream or a gully or whatever it may be, and that highway in principle is free for use to all the King's subjects. The toll idea is very much exploded as far as the general use of highways is concerned, and has been for years.

Mr. CANNON: What about taxes to pay for the highway?

Mr. BENNETT: Quite so; the taxes are of universal and general application.

Mr. CANNON: A tax is a toll.

Mr. BENNETT: All taxes are tolls, but taxes are imposed upon all persons whether or not they are users. In this case the users only are asked to pay. It is purely a matter for each province to determine for itself, and the province of Quebec having determined it in this way, that is their business.

Mr. CANNON: What about the Americans using our highways?

Mr. BENNETT: The Americans pay at the bridge across which they enter this country.

Mr. CANNON: You are talking about highways.

Mr. BENNETT: I am talking about tolls on provincial undertakings, and I excepted interprovincial or international bridges. The international bridge to which reference was made by my hon. friend from South Toronto (Mr. Geary) and an hon. member to my right involves, of course, the taxing of those who come into this country. Tolls are imposed for two purposes; one is to enable a record to be kept of those who come and go, and the second is to ensure payment for the use of the facilities provided. The idea of asking this parliament, which represents the general body of Canadian taxpayers, to contribute towards any deficit which might arise by the application of a provincial policy is unsound. If this were an interprovincial or international proposition, there would be no difficulty in dealing with it, but to say that this parliament, the general body of the taxpayers of Canada shall be asked to make a contribution towards paying any deficit which might arise between the amount necessary to pay the obligations upon the debentures and the amount received from tolls, is going too far and I regret that such a suggestion is made at this late date.

An hon. MEMBER: What about an international highway?

Mr. BENNETT: I favoured an international highway, and I hope that the hon. gentleman may in the fullness of time be ready and willing to give his vote for the construction of a trans-Canada highway wholly within Canada. But the bridges on that highway will not be toll bridges.

I have done everything possible to expedite this matter reaching the stage it has, but we will not permit this bill to go into committee to-day. It must proceed in committee tomorrow, and the following day will see the next stage of the bill. If this proposition was a free bridge without tolls, I would be open to argument, but I hope never to find myself in the position where I will ask the general body of the taxpayers of Canada to contribute towards a bridge solely within a province by way of a subsidy necessary to make up the difference between the annual charges on the undertaking and the annual revenue derived from tolls.

Mr. MACKENZIE KING: The sole reason for the introduction of this bill at this time as explained is to enable the government to implement an undertaking given in the name of the crown by the government of Canada to the government of the province of Quebec. I realize that it is unfortunate that this measure should have to be considered at this late moment. However, the measure speaks for itself. The discussion which has taken place would seem to indicate that there is a disposition to regard the bill as being highly controversial. I stated last evening that the government would not wish to proceed with any measures which were deemed controversial

and if it should appear, after allowing this bill to stand, that it is still to be regarded as being controversial, I would feel that we should not proceed further with it. For the present the bill had better stand.

I move the adjournment of the debate.

Motion agreed to and debate adjourned.

## BRITISH NORTH AMERICA ACT

### CONFIRMATION OF AGREEMENTS FOR TRANSFER OF NATURAL RESOURCES TO WESTERN PROVINCES

Right Hon. W. L. MACKENZIE KING: Mr. Speaker, by leave of the house I should like to move a resolution requesting His Excellency the Governor General to transmit to His Majesty the King the necessary address in connection with the transfer of the natural resources of the western provinces, as follows:

That a message be sent to the Senate to acquaint Their Honours that this house doth unite with the Senate in an address to His Excellency the Governor General praying His Excellency to transmit the joint address of both houses to His Most Excellent Majesty the King, relative to a measure to be submitted to the parliament of the United Kingdom of Great Britain and Northern Ireland, to amend The British North America Acts, 1867 to 1916, in the manner set forth in the said joint address; in such a way as to His Excellency may seem fit, in order that the same may be laid at the foot of the throne, and have filled in the blank space therein with the word "Commons";

And that the Clerk of the House do carry the said message to the Senate.

Mr. BENNETT: I congratulate my hon. friend the Minister of Justice (Mr. Lapointe) in his seconding of this motion which speaks so eloquently for the equality of status between the two communities. It offers a significant justification for the observations which he has made.

Mr. LAPOINTE: As long as this condition exists by our own will, I do not object to it.

Mr. MacLAREN: May I ask, Mr. Speaker, that this motion be carried on division.

Motion agreed to.

## APPOINTMENT OF WILLIAM NEVILLE

On the orders of the day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, I would like to draw to the attention of the government to question No. 1 on the order paper, which I submit is a proper question and one not requiring very much clerical work. The sitting member surely is entitled to the information asked for, especially as these appointments are supposed to be non-political in character.

## DOMINION AND MERCHANT SHIPPING LEGISLATION

On the orders of the day:

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I desire to make a personal explanation and rectification. When speaking on Monday last to the resolution to approve of the report of the conference on Dominion legislation, I gave a quotation supposed to have been made by the hon. member for South Wellington (Mr. Guthrie), as follows:

Since January, 1926, we have had representations in London at a peace parley. You would almost think that it was a six power instead of a five power party. We are gradually interfering in the affairs of Europe generally. . . . We are posing as a nation when we are not a nation at all.

Since I gave that quotation my hon. friend has conveyed to me the information that he did not utter those words. After investigation I found that the quotation had been obtained from a report appearing in the Montreal Gazette of April 9. Through a mistake, the statement had been attributed to my hon. friend when in fact the words were uttered on April 8 by the hon. member for Toronto Northwest (Mr. Church). I desire to make this rectification in fairness to my hon. friend, and I apologize to him for the mistake and I am very sorry if it has caused him any annoyance.

## DUTY ON TEA

On the orders of the day:

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I should like to ask the Minister of National Revenue (Mr. Euler) if he is in a position to make any statement regarding a refund to be made to the dealers in tea.

Hon. W. D. EULER (Minister of National Revenue): I take it that my hon. friend is referring to the request made by the importers of tea for a refund of the duty which they have paid?

Mr. MacLAREN: Yes.

Mr. EULER: A conference was had with the tea importers but no definite answer was given. We are making certain investigations after which due consideration will be given and the matter will be disposed of.

## ST. LAWRENCE WATERWAY

On the orders of the day.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, shortly after the Easter recess the right hon. the Prime Minister (Mr. Mac-

kenzie King) told the house that he hoped to be able to make a definite statement within two weeks as to the St. Lawrence waterway. Will that statement be forthcoming before the house closes?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will think this matter over and let my hon. friend have a reply tomorrow.

## CHINESE EMPLOYED ON BESCO SHIPS

On the orders of the day:

Hon. CHARLES A. STEWART (Acting Minister of Immigration): Mr. Speaker, in reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Woodsworth) with reference to Chinese employed on the boats operated by the Besco corporation, I would say that I have made inquiry and have discovered that four ships are operated under British registry. Fifty-six Chinese are employed on these vessels, over which we have no control other than to see that they do not enter Canada. The department has not approved since 1924 of the entry into Canada of persons of Chinese origin to join ships operated by the Besco or the Dominion Shipping Company. I may say that the Chinese who were temporarily admitted in 1924 were properly checked outward at the end of the season.

There is nothing in the Chinese Immigration Act to prevent vessels coming to Canadian ports from bringing with them crews of Chinese origin and keeping such crews on board such vessels until they leave Canada. Of course, if application is made for entry to Canada by an individual member of the crew, or of the whole crew, then the act immediately operates. The act requires the depositing of bonds and provides severe penalties for allowing persons of Chinese origin to leave a vessel without the consent of the proper official of the department. This provision, of course, is a safeguard against the desertion of members of the crews and the illegal entry of Chinese.

Mr. HEAPS: Am I correct in assuming that these vessels that ply between Montreal and Halifax or Sydney are operated by Besco?

Mr. STEWART (Edmonton): I cannot tell my hon. friend where they ply, but the registry is British and they are apparently chartered by the corporation.

Mr. HEAPS: And they ply between two Canadian ports?

Mr. STEWART (Edmonton): They may. I presume they do.

[Mr. Church.]

## CALGARY RAILWAY MAIL CLERKS

On the orders of the day:

Mr. H. B. ADSHEAD (East Calgary): I have a telegram this morning from the railway mail clerks in the city of Calgary stating that certain rearrangements have been made and they feel an apprehension that their seniority and standing in the service may be interfered with. I should like to ask the Postmaster General whether any arrangement that may be made will interfere with their right of seniority or not?

Hon. P. J. VENIOT (Postmaster General): Nearly every year at this season when the timetables of railways are being changed, we have to shift railway mail clerks from one place to another in order to meet the requirements of the service, but I can assure my hon. friend that in no case will seniority be interfered with in bringing about this arrangement.

Mr. ADSHEAD: Or any other right?

Mr. VENIOT: No.

## UPPER ST. LAWRENCE PILOTAGE

On the orders of the day:

Mr. A. E. ROSS (Kingston City): A few days ago I asked the government whether consideration had been given to the question of pilotage on the upper St. Lawrence. The Minister of Marine and Fisheries is now in his seat and I should like to know whether any request has been received by the government and whether any consideration has been given to the matter?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Several requests have been made in accordance with what my hon. friend has just mentioned. The matter is receiving consideration, but no decision has as yet been reached.

## HOUSE OF COMMONS SESSIONAL EMPLOYEES

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): On account of the very short session, I understand the temporary staff of the Senate have been granted 120 days' pay for 99 days' actual work. I should like to ask: What about the temporary staff of the House of Commons? Would it not seem right that there should be no discrimination? I fancy the House of Commons employees work, if anything, longer hours than those of the Senate. I am thinking particularly of the Hansard amanuenses who are not of the per-

manent staff and who are working excessively long hours at high tension. I would ask what can be done in regard to this particular class of employees?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter to which my hon. friend has just referred is at the present time being considered as between the Speaker and the government.

Mr. T. L. CHURCH (Toronto Northwest): Cannot the Prime Minister give a more definite answer than that?

Hon. R. B. BENNETT (Leader of the Opposition): I would like to say, before the matter is finally disposed of, that all of those who sit to the left of you, Mr. Speaker, are deeply appreciative of all the service that is rendered by the Hansard staff. It involves very long hours and sometimes very difficult work, especially when one has regard to the rapidity with which my hon. friend (Mr. Manion) sitting right beside me sometimes speaks. Under those circumstances, anything that can be done to place the Hansard staff upon a basis of equality with those in the Senate will be welcomed, I think, by all of us, equality of status being very desirable as between the Senate and the House of Commons.

Mr. MACKENZIE KING: I may say to my hon. friend that what I had in mind was to call him into conference with the Speaker and myself in order to see whether we could not agree upon an arrangement that would be satisfactory to all. I do not think there will be any difficulty in reaching a satisfactory agreement.

## BEAUHARNOIS POWER CORPORATION

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): I should like to ask the Minister of Public Works whether the plans in connection with the Beauharnois Light, Heat and Power Company have been prepared, whether plans have been approved by him and where, if possible, anyone can have an opportunity of examining them.

Hon. J. C. ELLIOTT (Minister of Public Works): The plans which have been approved are in the office of the Department of Public Works in the Hunter building and we shall be glad to show them to any hon. member.

## CONFERENCE ON UNEMPLOYMENT

On the orders of the day:

Mr. A. A. HEAPS (North Winnipeg): I would like to ask the Prime Minister whether it is the intention of the government to hold a conference on unemployment in the month of June of this year, as was stated in the house some weeks ago?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend will find in the supplementary estimates that the government is proposing to ask the house to vote the sum of $10,000 to enable a conference to be held in Ottawa as soon as may be possible after the general elections, in order to consider the question of cooperation in the matter of continuous employment as between the Dominion government, the provinces, the municipalities and other corporate entities. The idea is to have the conference as representative of interested bodies likely to be affected as possible; to invite to it representatives of industrial organizations and labour organizations as well as the leading municipalities and the provincial governments. The government recognizes, as I think I made clear when speaking on a previous occasion, that there is a problem of seasonal unemployment which occurs regularly in the Dominion, and it is believed by the administration that a conference of this kind might lead to such cooperation, as between those who have to do with work of construction and employment generally, as will be helpful in affording more continuous employment in the winter months than would otherwise be possible. I feel sure the house will give its approval to that appropriation.

Mr. HEAPS: Arising out of the statement made by the Prime Minister, I should like to put a second question. At this conference which is to be held later on this year, will the government consider asking the provinces to inaugurate the eight-hour day for certain industries in the Dominion? I make the suggestion to the Prime Minister, because I observe in this morning's press the Premier of Nova Scotia was quite willing to have the government look into the question.

Mr. MACKENZIE KING: May I direct the attention of my hon. friend to the item in the supplementary estimates which is vote No. 426:

To provide for a conference of representatives of Dominion and provincial governments, municipalities, transportation companies and industrial and labour associations, to consider methods of cooperation in furthering continuous employment throughout Canada during the winter months, $10,000.

The conference will be free to discuss any and all aspects of the problem of employment and unemployment.

Mr. E. J. GARLAND (Bow River): The government has on occasions during this session taken credit very properly for the introduction of the eight-hour day bill as applied to civil servants. May I ask the government now: How many departments have accepted that bill and applied it in their departments?

Mr. MACKENZIE KING: My understanding is that it has been made applicable to all the departments. It applies to civil servants generally.

## CHIGNECTO CANAL

On the orders of the day:

Hon. R. B. BENNETT (Leader of the Opposition): I wish to ask the Minister of Railways and Canals (Mr. Crerar) a question. As he is not in his place at present, perhaps if I put the question on Hansard, he can answer it later. Speaking at the Liberal convention at Amherst, Nova Scotia, May 21, Senator H. J. Logan spoke as follows re the proposed Chignecto canal, as reported in Amherst Daily News of May 22:

"The Chignecto canal survey is nearly completed, and a commission, of whom I know the names, is to be appointed to consider the commercial feasibility of the canal."

Senator Logan intimated that he did not desire to make the canal a political issue, but remarked that a Liberal candidate might find it possible to do more for Cumberland county.

I was going to ask the minister if it is proposed to appoint such a commission, and if so, have the names of such commissioners been given to Senator Logan, and has Senator Logan been authorized to speak on behalf of the administration in the remarks that he made?

## APPOINTMENT OF WILLIAM NEVILLE

On the orders of the day:

Mr. E. J. GOTT (South Essex): May I obtain from the Prime Minister (Mr. Mackenzie King) the assurance that the informaiton asked for in question No. 1 on to-day's order paper will be brought down forthwith? Very little clerical work is involved in it.

Hon. FERNAND RINFRET (Secretary of State): I must remind my hon. friend that this question is directed to the Chief Electoral Officer, and the only thing the government can do is to bring my hon. friend's question to the attention of that officer, who is responsible to the house and not to the government.

Mr. GOTT: Why has that not been done already?

[Mr. Mackenzie King.]

## SOCKEYE SALMON FISHERIES

TREATY BETWEEN CANADA AND THE UNITED STATES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 344, respecting a certain convention signed the 26th day of May, 1930, between His Majesty in respect of Canada and the United States of America for the preservation and extension of the sockeye salmon fisheries in the Fraser river system.

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

On section 1—Convention confirmed.

Mr. McRAE: Mr. Chairman, the natural resource which it is hoped that this treaty will restore, the sockeye salmon of the Fraser river, together with the industry resulting therefrom, is a major issue in the province of British Columbia and a very important question for the Dominion as a whole. It is hoped that under this treaty the Fraser river, a river which for many years was the greatest salmon stream in the world, a river the maximum catch of which at to-day's salmon value would probably exceed $30,000,000 or more annually, the finest salmon stream without question I think on the Pacific ocean, will be restored to its former greatness. That is the expectation of the people of my province. They have been somewhat disappointed with the long negotiations which have been carried on in connection with this problem. Last year I took a rather active part when the treaty came before the committee on marine and fisheries. The long experience which I had in the salmon business on our coast I felt rather qualified me to put my views before the committee at that time. I do not intend to delay the house very long, but I think it is opportune to refer to the present treaty, which I believe is a material improvement on the treaty that was submitted to the house last session.

In the first place, I think that the criticism offered last year as to loose draftsmanship is, in this treaty as I view it, entirely eliminated. This year's treaty appears to be more like the finished article.

The first important alteration in the treaty this year is the addition of section 1 of article I, which includes a very considerable addition to the territory placed under the direction of the commission. If time permitted I could explain to the committee the importance of this addition. Suffice it to say that I believe that this addition is absolutely essential if the efforts of the Salmon

Fisheries Commission are to be effective. Without this additional territory I believe their efforts would have been largely, if not entirely, nullified.

There is one other matter in article I, which I would like to have seen somewhat altered. It has to do with the extension of the northern boundary to Lasqueti island, which involves in the jurisdiction of the commission the fishermen who catch the northern run in that section. That is a matter in which the hon. member for Comox-Alberni (Mr. Neill), who I regret is not in his seat is equally concerned. However, I make no serious objection because, after all, the boundaries as set must be very general. I have no doubt that in some cases it will be found when investigated that our sockeye salmon reaching the Fraser by the American route are not included in the present boundaries, and here I think will be found one section that should be omitted from the regulations of the commission being outside the area reached by such sockeyes. It is a matter affecting only the fishermen of the two constituencies I have mentioned, and I am prepared to leave it to the good intentions of the commission to deal with this matter fairly when it comes up. I am quite satisfied that the regulations they may prescribe based on their subsequent investigations will respect the interests of the fishermen in this particular section of the territory allotted to the commission.

Article 2. There is a change in this article which provides that the members of the commission shall be appointed at the pleasure of the respective governments. I think that is important. In the former treaty there was no such provision, and it was felt by some of us that the appointments would necessarily be for life. This change greatly improves this article.

Article 3. The third article in the treaty as submitted to the house last session received probably the most consideration. We contended that this article as then drawn involved, to some extent at least, the question of territorial or sovereign rights and would conflict with the power development of the Fraser river. I am pleased indeed to see that in its present form article 3 has been materially changed in both respects. As previously drawn we objected to the fact that the commission was empowered to "acquire" spawning grounds. I am pleased to see that this word does not appear in the new treaty. In this connection I wish to refer to the last paragraph of article 8 in the treaty of this year:

> Each high contracting party shall acquire and place at the disposition of the commission any land within its territory required for the construction and maintenance of hatcheries, rearing ponds and other such facilities as set forth in article 3.

It might have been advisable to have made the matter a little clearer by providing that the improvements at the expiration of the treaty should belong to the high contracting party in whose territory they were located. I might add that the Fraser river is the only fresh water included in the treaty, and consequently is the only section that is affected by this paragraph. However, the present paragraph is very good indeed and pretty well clears up the question. I notice that the paragraph refers to each high contracting party, and thereby the United States accepts the principle as well as Canada.

In article 4 it will be noted that the period within which the commission is empowered to limit or prohibit fishing is not limited this year. In last year's treaty it read:

> That the commission is hereby empowered from June 1st, to August 20th, to limit and prohibit fishing, etc.

I think it highly desirable that the commission should be given unlimited power in that regard, particularly having regard to the division of the catch.

Article 6. There is a very important change here. In the treaty of 1929 this section read:

> That no action taken by the commission under the authority of articles 4 and 5 of this convention shall be effective unless affirmatively voted for by at least two of the commissioners from each country.

This omitted section three in last year's treaty.

In the treaty this year it will be observed that the approval of two out of three of the commissioners of each country is necessary before anything can be affirmatively voted on. This is a safeguard to both countries, and I think it is an assurance that the commission will be conducted along lines satisfactory both to Canada and the United States.

Article 7 has to do with the division of the catch. This has caused much concern among those interested in the industry. They have grave doubts as to the ability of the commission to divide the catch equally between the two countries. I think, this matter will have to be left to the good faith of the commission. It is about the only way I see of dealing with it. I am sure it will not be possible for any commission to make an exact division each and every year. I assume that in all fairness they will take the current year with the preceding year and endeavour

to the best of their ability to divide up the catch equitably between the fishermen of the two countries over the period.

Article 10, I presume, is necessary on account of the inclusion in the treaty of the territory covered by section one of article 1. I think that will be found to agree almost, if not entirely, with the provision in the halibut treaty, and as such presumably it is acceptable to all interests. It is a marine matter that I do not feel competent to pass upon.

Now, from the practical standpoint, I take it that in negotiating treaties there must be give and take between both countries. Neither one high contracting party nor the other can get all it wants. We have had long drawn out negotiations in connection with a treaty for the great Fraser river, and it is my considered opinion that this treaty is now about as satisfactory as we can expect. Of course, the success of this or any similar treaty will depend almost entirely on the good faith of the high contracting parties. In any event we cannot be any worse off under this treaty than we are at the present time.

As I said at the beginning of my remarks the Fraser river has in the past been a wonderful stream. It has produced millions of cases of salmon. In fact, as described by a gentleman whom I met a few days ago, about forty-five years ago when he knew it, it seemed as though one could walk across the river on the fish, and I may tell hon. members that the river is a mile wide. What is the situation to-day? Through the lack of proper protection the fish in that stream have been almost exterminated. I refer to neither one political party nor another, but I wish to say in all kindness that the failure of the fishing industry on the British Columbia coast has been due largely to the fact that for the last quarter of a century it has been used as a political football. I make that statement advisedly, because for many years I was engaged in the business. I am quite sure there is nobody in our province and I hope there is no member in this committee who expects that this treaty can be put into effect without inconveniencing and discommoding certain interests. If we are going to bring about the restoration of the run of fish in the Fraser river we must have conditions different from what they have been in the past. I notice in this treaty a slight alteration from last year's treaty which is no doubt a proper one; I refer to the omission of the appointment of the commissioner of fisheries in the United States, as one of the United States commissioners. At the present time that position is held by Mr. O'Malley. I would like to say a word about Mr. O'Malley, because I think members of the committee ought to know something about him. I have no doubt that he will be one of the American commissioners on this treaty, and undoubtedly he is the best qualified man on this continent to deal with the restoration of salmon fisheries.



Mr. KING (Kootenay): Who says that?

Mr. McRAE: He has been responsible for the restoration of the fisheries in Alaska, and he has accomplished wonders. He had great difficulties the first few years because the changes he instituted in connection with the Alaskan fisheries were greatly resented by those engaged in the business. After a few years however when it became apparent that the life of the industry depended on the regulations he had put into effect, and when it became further apparent that the industry was going to be restored, the complaints ceased. To-day the fishing industry in those waters is practically restored to its former greatness, and Mr. O'Malley is accepted by the fishing interests, both men and corporations, as the necessary governor of that great industry. With Mr. O'Malley on the commission and with other Americans who will thoroughly know the business, I suggest to the government that in this particular case they make use of some of the many men in British Columbia who are familiar with the fishing industry, who know the business thoroughly and who are willing and anxious to give their time to assist in restoring this great natural wealth to the people of British Columbia.

In closing may I say that there will be many difficulties ahead of this commission; their task is a difficult one. As I have already said the business is of great importance to the people of my province, and to the whole Dominion. Complaints will arise without number, but I hope that both parties in this house regardless of which party is successful in the coming election will undertake to give to the sockeye salmon commission that assistance and support during the next sixteen years, which is essential to the success of this treaty.

Mr. McQUARRIE: I also was on the special committee last session to which the original treaty was referred, and I presume I was placed on that committee because I have lived on the banks of the Fraser river for some forty years, and particularly during recent years I have been closely in touch with the fishermen on that river. It is true that there are not as many men engaged in the industry as there were some years ago; however, last year 1,473 licences were issued in

the Fraser river district; that means that there were twice as many, or over 2,800 men engaged in fishing on the Fraser river, because there are two men to each boat. About 400 of those licences were issued to Japanese. The number of Japanese engaged in the fishing industry has been greatly decreased and at the present time the large majority of fishermen in British Columbia waters are of the white race. That is a condition which no doubt all hon. members will agree should prevail. Last year I was somewhat critical of the treaty which was submitted to us, and in that respect I think I had the support of the fishermen of the Fraser river, because after I returned to New Westminster they held a meeting of their organization and at its conclusion by standing vote they unanimously approved of the stand I had taken. I am pleased to say that this year we have a treaty which is quite different in many important particulars from the one which was first submitted; I think there has been a great deal of improvement, and for that reason I do not think I am called upon to oppose the treaty. On the contrary, I think it represents a step in the right direction; I hope it will work out to the advantage of Canada and result more particularly in the restoration of the sockeye salmon run on the Fraser river. There was a time when that run was very extensive. In the year 1913 there was a pack of sockeye salmon on the Fraser river amounting to about 900,000 cases. The largest pack we have had since that time has been only about 60,000 cases. From those figures it is very easy to judge the extent of depletion, and what that depletion has meant to Canada and to those engaged in the industry. I do not wish the committee to understand that there is any real conflict between the fishermen and those engaged in the canning industry; I think they are both imbued with the same ideas and are both interested in the restoration of the run of sockeye salmon; it means a livelihood to the fishermen. Without the sockeye fishing I am afraid it would be very difficult for the fishermen on the Fraser river to eke out an existence.

Now, what is going to happen? I fear that this treaty will have a very injurious effect on the men who are engaged in the industry at the present time. It may be that as a result of this treaty, at the end of sixteen years, or later or perhaps earlier, there will be a partial or perhaps an entire restoration of the run that we previously had, but in the meantime these men have to carry on their work. They all have their boats, and these are not ordinary row boats; they are quite expensive gasoline boats which have expensive gear. The investment of each of these 1,473 men amounts to a great deal. I am afraid it is just possible that these men who are engaged in the industry at the present time are going to suffer to a great extent. The hon. member for North Vancouver has spoken of the division of the fish. That is covered by article 7, which reads as follows:

> Inasmuch as the purpose of this convention is to establish for the high contracting parties, by their joint effort and expense, a fishery that is now largely non-existent, it is agreed by the high contracting parties that they should share equally in the fishery. The commission shall, consequently, regulate the fishery with a view to allowing, as nearly as may be practicable, an equal portion of the fish that may be caught each year to be taken by the fishermen of each high contracting party.

The great difficulty in that connection, as I see it, is that fishing is carried on in United States waters by means of traps. I am not going to take the time of the house to explain what these traps are like; suffice it to say that by the use of traps they carry on in American waters wholesale fishing. On our side of the line we have practically no traps; all the fishing is carried on by nets operated by the fisherman, and you might say on the Canadian side we have retail fishing. Under this treaty the difficulty is going to be for the commission to see that the Canadians will catch as many fish as the Americans. I am afraid that by the use of traps it will be much easier for the Americans to get their allowance, and I am afraid that the Canadians will not be able to get their share with the present methods in use.

Let me say just here that I would strongly deprecate the abolition of the gill net fishing on the Canadian side and the adoption of traps as the proper method of fishing. It would put out of employment a great many men and I think that is something we should not try to encourage. It may be said that there will not be so much difficulty in connection with the division of fish, but in that connection I should like to refer to some remarks made by the deputy minister of Fisheries last year before the committee. I would refer first to page 85 of the proceedings of Tuesday, May 28, 1929, and Wednesday, May 29, 1929, as follows:

> By Mr. McQuarrie:
>
> Q. The idea is that, in order to regulate and bring about this 50-50 division, the fisheries will be alternately closed on one side or the other, as the case may be? I want to submit to you—we will say, the Canadians are getting behind, as they usually do in matters of this kind, having in view the geography and the

question of the priority of the American fishermen—it would require the Americans to close down their traps and seines, and in that event, could not the Americans say: "The escapement of fish is ample in the Fraser river for propagating purposes; we object to closing down because the Canadians have not enough equipment to catch their 50 per cent"? Is that not one of the things which might come up?

A. That may be one of the main difficulties with which the commission will have to deal, but the federal government of the United States undertakes by this treaty to see that the regulations provided by the commission are carried out.

Then at page 95 there is another question by myself, as follows:

Q. What will happen if the Americans get more fish than the Canadians?

A. Well, Mr. Chairman, the duty of the commission will be to see that they do not. As I said a little while ago, the commission will have my sympathy. It will be quite impossible to say that we will get 50 fish on the one side and 50 on the other. It must be as near as possible that that be done.

Of course it will be difficult; I do not see how it is going to be done in any reasonable way. I am afraid our fishermen are going to suffer by this treaty. I am afraid this matter will work out in such a way that it will cause the adoption of traps in Canadian waters for the purpose of enabling Canada to catch its proper proportion of the fish. In that event what is going to happen to our fishermen?

Mr. MACKENZIE KING: Would my hon. friend like us to drop the treaty?

Mr. McQUARRIE: No, not at all; I am just coming to a point which I think the Prime Minister will appreciate. What is going to happen to the fishermen who are now engaged in that occupation? There is no doubt it will assist other fisheremen who may be there in years to come, but as to the men engaged in that industry I am afraid they will suffer by reason of the fact that they are going to be prohibited for a certain number of years from catching sockeye salmon at all, or they are going to be prohibited for a certain period every year during sixteen years or longer from catching sockeye salmon, which is prehaps one of the most profitable branches of their business. As I say, I am interested in these fishermen and I am afraid they will suffer also in connection with other varities of salmon, because when the catching of sockeye salmon is prohibited it may be necessary also to prohibit the catching of other varieties of fish which may be running at the same time. The sockeye salmon is not the only class of salmon that we have on the Fraser river, as of course is well known.



That matter was discussed in the committee with Mr. Found, and I would refer the house to page 92 of the evidence of the same proceedings of the committee. The following are the questions asked by myself and the answers given by Mr. Found:

Q. What about other varieties of fish during the close season for sockeye? There will be other fish running?

A. Not to any considerable extent; and that is the reason why the time is limited during which the commission is to take full control.

Q. Well, does not the cohoe season overlap the sockeye salmon?

A. To some extent; but not during this period.

Q. That is, there would be no cohoes?

A. I would not say there would be no cohoes; but there would not be a large run.

Q. Cohoe fishing also will be prevented during that period?

A. To the extent that may be necessary to protect the sockeye.

Q. When sockeye fishing is prevented, cohoe fishing will also be prevented?

A. To the extent that it will be necessary to carry out the regulations provided by the commission for the protection of the sockeye.

Q. If sockeye fishing is prevented then, naturally, and necessarily, cohoe fishing will also be prevented?

A. That is why other fishing is prohibited.

Q. Yes?

A. Quite so.

Then on page 93:

Q. As to other varieties of fish—the pinks, for instance—will they be covered by the size of the mesh? Or will fish like chums and pinks be also prohibited when the fishing for sockeye is prohibited?

A. If the prohibition in the fishing of sockeye necessitates the removal of nets from the water, then, of course, the catch of other kinds of fish will be affected to that extent.

Q. So, it may be that all fishing—all salmon fishing will be prevented during those prohibited times?

A. That was the reason for limiting the control of the commission to the period that is mainly affected by this run.

Q. So you would have the chums and the pinks and the cohoes in the same class as the sockeye so far as prohibition is concerned during the period that the commission decides shall be a close season for sockeyes?

A. But the fact is that they are not there at that time in any considerable number.

Q. It will be so with those fish which are there?

A. Oh, yes.

It will be noticed by reference to the treaty that no fixed period is given as to when prohibition shall be effective. Under the terms of the previous treaty I believe that time was fixed as being from June 1 to August 20. Under the present treaty it is left wide open to the commission, and if it sees fit the commission may prohibit and prevent the fishermen from catching fish during the profitable season. The point I wish to make, and one

I think which will appeal to the Prime Minister, is that although this treaty may be of great advantage to Canada as a whole, it is possible that it may injuriously affect the men engaged in the fishing industry. I would suggest that the Prime Minister make a declaration that if such proves to be the case and it is shown later on that the fishermen have been injuriously affected by this treaty, then some fair and reasonable compensation will be made to the men. That is my only object in rising to-day. I think that proposal is a reasonable one, I think it is a fair and just one, because if any class is to be injured by a treaty of this kind entered into for the advantage of Canada as a whole, then I think they should receive some kind of consideration.

I have in my hand sessional papers No. 79, dated February 9, 1916, brought down upon the motion of the late Sir Wilfrid Laurier, who took this same stand regarding the men engaged in the sealing industry and who were prevented from carrying on their occupation by reason of the Washington treaty of 1911 and the Paris regulations of 1893. This return contains the report of Mr. Justice Audette, who was then a judge of the Exchequer Court of Canada, and certain amounts were allowed as compensation to the men engaged in the sealing industry. It may be said that the salmon fishermen have no legal right to compensation. I will admit that, and I will admit also that this parliament can enter into a treaty which may effectively obliterate the occupation of any man and no legal claim for compensation could be made. This was the case in connection with the sealing treaty, but I would like to read a short statement which appears on page 25 of this return, as follows:

> These claims, as has already been said, do not rest upon legal right; they originate from the benevolence, grace and bounty of the crown.

I submit that our salmon fishermen will be in a similar position and will be entitled to the benevolence, grace and bounty of the crown. I should like the Prime Minister to make two statements: first, that this country is not going to encourage or permit the catching of salmon by means of traps and, secondly, that if the fishermen should be injuriously affected by this treaty they will receive consideration.

Mr. KING (Kootenay): Mr. Speaker, I have been keenly interested in listening to the speeches of the two hon. members opposite, the hon. member for Vancouver North (Mr. McRae) and the hon. member for New Westminster (Mr. McQuarrie). It takes me back to last year when both of these hon. gentlemen intensely opposed this treaty being entered into with the United States. If I remember rightly, there was a desire at that time on the part of some members in this house to create throughout Canada an anti-American spirit, and for the purpose of creating such a feeling in this country our friends opposite were prepared to sacrifice the treaty in order that they could accomplish some political effect.

Mr. McQUARRIE: I must take exception to that statement, and I do not think it should be allowed to pass.

Mr. BENNETT: There is no evidence for it.

Mr. McQUARRIE: It is absolutely untrue.

Mr. BENNETT: Absolutely.

Mr. McQUARRIE: And unfounded.

Mr. KING (Kooenay): I will complete my statement; my hon. friends have had almost an hour.

Mr. McQUARRIE: I submit that that statement should be withdrawn.

Mr. KING (Kootenay): It will not be withdrawn because I will follow it up with the evidence.

Mr. BENNETT: Go on with the evidence.

Mr. KING (Kootenay): My hon. friends challenged not only the desire of the people engaged in this industry, but they challenged their friends in the government of British Columbia. They challenged the opinion of the officials of that government, and put their opinion before the people as being contrary to the opinion of the officials in British Columbia, with the result that the treaty has been delayed for a year. They have undertaken to-day, by a discussion of the amendments which have been made to the treaty, to justify their consideration of the treaty.

Mr. LADNER: I should like to ask the minister whether he intends to carry on a debate along these lines. I had not intended to participate in the debate nor had other hon. members on this side. We are commending the treaty. We believe it is a good one. I was going to ask the minister whether, on reconsideration, he would not think it wiser under the circumstances to abstain in his remarks from partisanship, because otherwise there will be involved a really warm discussion in which most of us will have to participate.

Mr. KING (Kootenay): I am prepared to do that and to discuss the amendments to the treaty. I do not want to prolong the

discussion. The treaty is, I am sure, acceptable to the members of the house. The first amendment, which is a most important one, is that dealing with the extension of extra-territorial waters. That was brought about by the experience of last summer when it was found the fishermen moved outside of the prohibited limit and fished there.

Mr. McQUARRIE: Did I not raise that same point before the committee?

Mr. KING (Kootenay): That may be. The effect of the second amendment is to give fuller power to the commission. The previous treaty limited the power of the commission in connection with the removal of an obstruction. It has been thought wise in the interval to amend the treaty so that the commission may have authority in our waters to remove obstructions if they see fit. We have also arranged under the new treaty that the commission may acquire lands for the purpose of developing the fisheries in our territory.

Mr. BENNETT: Just where is that in the treaty? Perhaps the hon. gentleman will read it.

Mr. KING (Kootenay): It is article VIII of the treaty which reads:

Each high contracting party shall acquire and place at the disposition of the commission any land within its territory—

Mr. BENNETT: Then what does the minister mean by saying that the commission shall buy land? The government buys it, not the commission. Read the agreement.

Mr. KING (Kootenay): The treaty provides that the government—

Mr. BENNETT: Not the commission, but the government.

Mr. KING (Kootenay): There is no difference, because we had an opinion of the Department of Justice last year, that when the commission went out of existence they had no control or ownership.

Mr. BENNETT: Does the hon. gentleman know what he is talking about?

Mr. KING (Kootenay): I do. Let me have the floor.

Mr. CANNON: One assumes he thinks he does.

Mr. BENNETT: That would be somewhat doubtful.

Mr. KING Kootenay): Under the treaty of last year it required unanimous approval of two commissioners from each party to concur in fishing regulations. That provision has been extended so that it affects the regulations that may be brought into effect on the upper reaches of the Fraser river. I think those are the important changes in the bill.

I promise my hon. friends I shall not develop the argument I started out to do. I wish merely to say that the treaty is of great importance not only to the people of British Columbia, to those engaged in the industry there, but to the people of Canada on account of the fact that its restoration means an annual wealth of some $30,000,000 to the people of that province and the people of the Dominion as a whole. It is so important that from time to time various governments of Canada have undertaken to negotiate such a treaty and this is considered to be the best treaty that as yet has been negotiated or considered by the two governments. The other treaties were never brought into being, the Senate of the United States failing to agree to them and pass them; but it is understood that this treaty will become law, and if so, no doubt much good will come from it.

The hon. member for New Westminster spoke of the hardship that might be placed upon those who are engaged in the fishing industry on the Fraser river through the operations of the treaty. That has been well considered by the fishermen themselves and they realize, as they have realized in the state of Washington, that if they continue their occupation as fishermen each year as they have been doing in the past, it will not be long before that industry will disappear entirely. So it has been considered by them—and I believe they are in agreement on this point—that in the interest of the fishing industry and in their own interest some scheme or plan of this kind should be devised in order to restore the fishery. I have very much pleasure in thoroughly endorsing the treaty, and I believe it will be approved generally throughout Canada.

Mr. DICKIE: Having been a member of the fisheries committee which considered the treaty as it was submitted last year, and having, perhaps, severely criticized it in some respects, I wish to say that the remarks of the Minister of Health with respect to any anti-Americanism tinging the considerations of that committee or any thought of such a thing, is nonsensical and untrue. There was not one anti-American thought in connection with the consideration of that treaty. I approve unhesitatingly of the treaty this year. The other treaty as submitted to us contained clauses of which we did not approve. We reasoned them out and our hon. friends oppo-

site saw the point in our objections. Now we have a treaty which, I believe, is the best that can be devised and I am wholeheartedly in favour of it. My purpose in rising is simply to impress upon the government that the success or otherwise of the treaty will depend upon the personnel of the commission. The problems that they will have to consider will bristle with difficulties. Let there be appointed good strong men without regard to political persuasion, men that can resist the enormous pressure that will be brought to bear upon them, men of sound common sense, and in that case we shall rehabilitate the fisheries of the Fraser river. It will be one of the finest treaties ever entered into by the Dominion of Canada. People who live in the east do not realize what we have lost through the depletion of the salmon fisheries in the Fraser river. As a parting word, I implore the government to select good strong men for the commission and doubtless the people of the United States will do the same.

Mr. WOODSWORTH: May I say one word in endorsation of what was stated by the hon. member for New Westminster? I am not going to discuss the treaty; I am wholly in favour of its passing. I think the people on the west coast and indeed, all over Canada will endorse it. Several years ago, when I lived on the west coast, I had come in touch with and developed a good deal of sympathy for the fishermen there. Very likely the coming into force of this treaty may work a hardship on some of them as individuals. It may be rather dangerous to establish a precedent that the introduction of new machinery or improved methods should give ground for complaint on the part of those who are injured by such new machinery or improved methods, yet since these things are in the interests of the whole community, I have never been able to see why some little help should not be given during the transition period to the people who are prejudicially affected. The big fishing companies can probably look after themselves, but there are many small fishermen who have through the years invested their all in boats and fishing tackle and it may not be easy for them to accommodate themselves to the new situation. I do not profess to have given sufficient thought to the matter to know how this end might be achieved, but I would urge the government to give some consideration to the case of these men as they may be adversely affected by the treaty.

Mr. MACKENZIE KING: It is deeply gratifying to the government to know that we have succeeded in bringing before the house a treaty which apparently has the unanimous support of its members. I take it that I am justified in making that statement by what has been said on both sides of the house.

As hon. members recall, the government brought in a treaty last session for the purpose of the protection, preservation and extension of the sockeye salmon industry in the Fraser river system. That treaty was referred to a committee of the house, and there developed in the course of the committee's examination some differences of view and of opinion. I do not wish to dwell on what may have occasioned the differences of view or of opinion, but I confess that at the time the government did find it somewhat difficult to account for the attitude of some hon. members opposite in opposing the treaty, especially as we had been advised by the premier of the province of British Columbia that he was whole-heartedly in favour of the treaty as it stood. May I congratulate my hon. friends opposite on the change of heart and of attitude which has come over them since their return to British Columbia after the last session of parliament? I just wish to make quite clear that the government in bringing in the treaty last year in the form in which it was brought in did so not only with the whole-hearted cooperation throughout of the government of the province of British Columbia, but with the strong endorsation of the premier of that province of the treaty as it then stood. I have in my hand a copy of the minute of the hon. executive council of British Columbia, which minute of council was forwarded by His Honour the Lieutenant-Governor of the province to the Under Secretary of State in the following communication:

Privy Council
Canada
The 13th of April, 1929,
At Government House,
Victoria, B.C.

Sir:—

I have the honour to enclose, herewith, certified copy of Order in Council No. 478 which my government has requested me to convey to the government of Canada relative to the Fraser River Salmon Treaty.

I have the honour to be, Sir,
Your obedient servant,
(Sgd.) R. Randolph Bruce,
Lieutenant-Governor.

The Under Secretary of State,
Ottawa.

The copy of the minute is as follows:

P. Walker,
Deputy Clerk, Executive Council.

Certified copy of a Minute of the Honourable the Executive Council, approved by His Honour the Lieutenant-Governor on the 4th day of April, A.D. 1929.

—478—

To His Honour
the Lieutenant-Governor in Council:

The undersigned has the honour to recommend:

That His Honour the Lieutenant-Governor be requested to convey to the government of Canada, through the Secretary of State, the strong sense of satisfaction and gratification felt by the government of this province upon learning of the conclusion in Washington of the Fraser River Salmon Treaty.

Dated this 3rd day of April, A.D. 1929.

"S. L. Howe,"
Provincial Secretary.

Approved this 3rd day of April, A.D. 1929.

"R. W. Bruhn,"
Presiding Member of the Executive Council.

Shortly after this order in council had been passed by the government of British Columbia, the premier of British Columbia gave an interview which appeared in the Vancouver Daily Province of May 23, 1929. It is headed, "Premier Tolmie Issues Statement," and reads:

In a statement issued to-day, Premier Tolmie said:

"According to our views and legal advice received after careful reading of the treaty, there is no provision there which either impliedly, or directly, contains any interference either territorially or in an administrative sense with, or surrender of, Canadian rights. The province was at all times completely represented and fully informed during the negotiations leading to the signing of the treaty with a view to safeguarding provincial rights.

"The Dominion conducted the negotiations, but conferred at all times with the province, which fully approved of, and has repeatedly endorsed the treaty.

"The restoration of the sockeye salmon fisheries of the Fraser river system is one of the greatest reclamation projects in which Canada and the United States can jointly engage, and cannot be consummated except under the terms of such a treaty as the present. The government of British Columbia and, I believe, the whole people of British Columbia desire that parliament ratify this treaty."

That is the treaty as it was when introduced in this house last year and referred to a committee; but it was afterwards withdrawn because of the discussion which took place, and because of the implication—I will put it mildly—which was spread abroad that in some way or another—to make use of words used by Premier Tolmie in referring to the matter—there was an implied surrender of some Canadian interest to the United States. Premier Tolmie made it quite clear that in his opinion neither impliedly nor directly was this the case; that his opinion given under legal advice was that it could not be found that the treaty contained any interference either territorially, or in an administrative sense with, or surrender of, Canadian rights.



Changes that have since been made in the treaty have been of relatively minor significance. The treaty itself was for the purpose of appointing an international commission with certain powers which would enable them to make regulations for the protection, preservation and extension of the sockeye salmon industry. There have been some modifications, and I am free to confess that it is a satisfaction to the government that it has been possible to make modifications even if they serve no other purpose, so far as Canada is concerned, than that of bringing all parties into accord on a great international engagement such as the treaty is.

Possibly for purposes of record I should give to the house what the government understands to be the modifications that have been made. They have been set forth fairly accurately by the hon. member for North Vancouver in his remarks this afternoon, though with an emphasis, perhaps, that accords more with my hon. friend's desires in the matter than with the facts. The significance which he has attached to some of the modifications is, perhaps, greater in his own mind than it is in the minds of others, in the house, who have also given the matter careful study. Be that as it may, I will give the various modifications and leave it to the house and the country to judge for themselves as to the extent to which they are really significant.

The previous treaty did not cover any extra-territorial waters, as up to the time it was entered into no sockeye salmon fishing had taken place in such waters. Last year a number of United States and a few Canadian purse-seiners tried to meet the approaching salmon beyond the three mile limit off the entrance to Juan de Fuca Strait. They were successful. Hence it became obvious that if such waters were not placed under the control of the commission to be appointed under the treaty, their efforts could be nullified by the capture of the fish before they entered the treaty waters. The United States government proposed that these waters should be included, and this was agreed to. Article I has been redrafted accordingly. That, it will be observed, is a change due to representations made by the government of the United States, not a change to be credited to last year's committee or action on the part of any of

its members. The feature dealt with had not presented itself for consideration to the committee when it met.

I should perhaps inform the house that while the treaty was withdrawn for the time being in this country, it was also withdrawn by the government of the United States when before the Senate as a result of representations which had been made to Washington on the part of certain interests in the United States; more than one of the modifications that have been made in the treaty have been made at the instance of representations made to Washington by citizens of that country. The one to which I have just referred is the first.

Mr. BENNETT: May I correct the right hon. gentleman? When the treaty was withdrawn in Congress, Senator Borah stated that the reason for its being withdrawn was that they had agreed on a reconsideration of the treaty. That was in December.

Mr. MACKENZIE KING: Certainly they withdrew it for reconsideration, just as we withdrew it to permit of further consideration; but they reconsidered it at the instance of representations with respect to certain features of the treaty made by their own people.

Mr. BENNETT: The record does not show that.

Mr. MACKENZIE KING: And it does not show either that some hon. gentlemen from British Columbia, members of this house, got into conference with certain American citizens and sought to arrange modifications of this treaty through the avenue of Washington, rather than through the instrumentality of this parliament. That does not appear on the record either, but I believe nevertheless that it is true.

Mr. BENNETT: This parliament would not be the place.

Mr. MACKENZIE KING: It is the place for Canadians to deal with Canadian legislation.

Mr. BENNETT: The Canadian government, not the Canadian House of Commons.

Mr. MACKENZIE KING: Surely my hon. friend does not think the citizens of this country ought to go to the United States in order to make treaties for Canada.

Mr. BENNETT: I said, the Canadian government, not this house, could deal with it.

Mr. MACKENZIE KING: Article II of the previous treaty provided for the appointment of an international commission, consisting of three members from each country to regulate and develop the fishery, and, at the instance of the United States, it specified that one of the United States members would be the Commissioner of Fisheries for that country. The United States now wish this latter provision deleted. This was agreed to, and Article II has been modified accordingly.

This is another modification, not made at the instance of this country in any way, but at the wish of the United States itself to suit the representations that were made to the United States government by its own citizens.

Article III of the previous treaty limited the power of the commission in connection with the removal of obstruction to the ascent of salmon, to recommending such to the two governments, but it gave the committee authority to improve conditions for the ascent of salmon. In the discussion last year before the committee it developed that there was some apprehension that under this authority potential water-powers might be interfered with. Hence in the new treaty, the commission's power in this respect is limited to recommending.

It also developed in the discussion before the committee last year that there was apprehension that under this article, should the treaty at any time be terminated, the United States would have a property interest in any works established in Canadian territory by the commission in connection with fish cultural operations. The Department of Justice, however, gave the opinion that in such contingency the United States would not have any legal right, title or interest in any such works. It is also obvious that such a commission could not properly own property, as should the treaty be terminated the commission would immediately cease to exist. Hence the word "acquire" in the fifth line of article 3 of the previous treaty served no useful purpose and has been deleted in the new treaty. It has not been deleted because of some power which the inclusion of the word "acquire" would have given to the United States to exercise any control over our country. The position, in point of fact, remains identically what it was according to the advice which we had at the time and still have from our own Department of Justice.

In order to remove all possible doubt a paragraph has been added to article 8 of the treaty, which provides that the government

of either country shall acquire and place at the disposition of the commission any land within its territory required for the construction and maintenance of hatcheries, rearing ponds and other such facilities. Any structures erected on said land will continue to vest in the government of the high contracting party by which the land was acquired, at the expiration of the treaty period.

Article 4 of the previous treaty limited the authority of the commission to the period between June 1 and August 20 in each year. Canada's original draft did not limit such power to any season, but it appeared that interests in the state of Washington would not agree to a longer period as they feared other fisheries might be interfered with by the commission. It has been realized, however, that the 50-50 division in the catch provided for by the treaty could not be properly controlled in the limited period, as while the run of sockeye in United States waters is usually over by August 20, it continues later in Canadian waters. The United States' objections have now been overcome, and article 4 of the new treaty gives the commission authority to regulate the sockeye fishery throughout the year. Again the change made has been to meet certain objections not raised by this country but raised by the United States.

Article 5 is not changed in substance, except to make it apply to the whole year.

Article 6 of the previous treaty required that the affirmative vote of two commissioners from each side would be necessary for any fishery regulation. There was no such requirement in connection with the development work in the upper waters. The discussion in the committee last year seemed to indicate that it would have been considered better if this requirement applied to all operations of the commission. This article has been modified accordingly. That is one change that has been made, though whether if the treaty had been left as it was the consequences in any particular would have been different is, I think, very much open to question.

Article 7 is not changed.

Article 8 is modified so as to provide for proper legislation to cover extraterritorial fishing, and also as explained under article 5. The latter part of the former article 8 is covered by article 10 of the new treaty.

Article 9 is new. It provides for the control of fishing in extraterritorial waters.

Article 11 does not differ from article 9 of the previous treaty.

Now, those are the changes, and as I say, anyone reading them will see they are quite minor changes considered in relation to the significance of the treaty as originally drafted and as originally introduced. However, let me say again, if it is going to relieve any of our friends from British Columbia of a certain embarrassment which they have experienced as a result of their attitude taken last session, why, the government is all the happier on that account.



My hon. friend from New Westminster (Mr. McQuarrie) spoke of the possible temporary injurious effect the treaty might have on some of the fishermen engaged in that industry. The underlying purpose of the treaty is to help the fishermen. Whatever will help the industry will help the fishermen in the long run. My hon. friend has been kind enough to say that this treaty was for the benefit of Canada as a whole. May I say that while that is true, the treaty is essentially and immediately for the benefit of the province of British Columbia. The whole area within which this commission will operate will be in the province of British Columbia; to the extent to which the province will benefit by the treaty, and I think it will greatly benefit, to that extent the Dominion as a whole will benefit.

Might I suggest to my hon. friend that when he goes back to British Columbia he might make to the head of the government there, who is one of his own political faith, the representations which he has been good enough to make in this house this afternoon as to caring for the fisherman who may be affected by any temporary changes which may result from the enforcement of the treaty. I think that would be the appropriate government to which to make his appeal, and I shall be greatly surprised if he does not find Premier Tolmie sympathetic, and prepared to meet any situation that may arise from the cause indicated.

Mr. McQUARRIE: Does that mean that this government would not do anything to assist these fishermen if they were found—

Mr. MACKENZIE KING: This government has done everything in securing the treaty, and is doing everything in securing its enactment and providing for its enforcement. If when the treaty is in force representations are made to this government as to effects of its operation, those representations will certainly be considered on their merits.

May I say one further word in regard to one matter mentioned by my hon. friend from Vancouver North (Mr. McRae)? He spoke of the difficult problem which the commission

will have in carrying out the duties assigned to it under the treaty, and he expressed the hope that all parties would unite in giving the commission the support it should have. I heartily join with him in that appeal. I think it will be recognized that the treaty is for the purpose of preserving a great industry, one of the real assets of our Dominion, and without question the commission will have to be firm and strong in discharging the functions assigned to it. Certainly so far as the present administration is concerned, and so far as the party to which those of us on this side of the house belong is concerned, I think I can speak in the name of both, every effort will be made to strengthen the hands of the commission in the task which it undertakes.

Mr. McQUARRIE: Before the Prime Minister takes his seat, would he be good enough to give an assurance that this government will not encourage the use of fish traps in Canada?

Mr. MACKENZIE KING: I must thank my hon. friend for his implied compliment of assuming that the government will be returned to office. I assure him that such being the case, we will do all in our power not to disappoint him in regard to any feature of the administration of this treaty.

Mr. McQUARRIE: That does not answer my question at all, Mr. Chairman. As to the result of this election, of course that is for the people to say. I have one idea of what they will say, and the Prime Minister has another. I do not think, however, it is asking too much to suggest that a statement should be made in regard to the policy of the government as to fish traps.

Mr. MACKENZIE KING: I have made a statement.

Mr. LADNER: I rise to express regret that the Prime Minister, as the Minister of External Affairs, should have been disposed to view an international treaty in this way. The hon. gentleman has viewed it from a partisan standpoint.

Mr. MACKENZIE KING: What nonsense.

Mr. LADNER: The Prime Minister says no. The fact however is quite evident to those of us who know what has been going on. We can read between the lines of the remarks of the Prime Minister, and when we view some of his remarks which have appeared in type and consider the care with which they were recorded, it is clear to anyone who can read and can understand that the intention of those remarks and those recorded documents was of a partisan political nature.

Mr. MACKENZIE KING: May I say to my hon. friend that the remarks I recorded were from a statement handed to me by an officer of the department in response to a request to be advised as to the exact nature of the change. It was not a statement prepared by myself, and I never had a look at it until it was placed in my hands, and since then it has undergone no change.

Mr. BENNETT: It was the Doctor Tolmie letter my hon. friend was talking about.

Mr. LADNER: The Prime Minister may not have prepared it himself, but the intended effect of the statement was to be entirely political and to affect the next election.

Mr. MACKENZIE KING: The statement was to give the house exact information as to the modifications of the treaty, and in giving that information I merely complied with my duty.

Mr. BENNETT: The hon. gentleman is talking about Doctor Tolmie's letter.

Mr. MACKENZIE KING: The letter speaks for itself; it is an expression of his beliefs from the Premier of British Columbia.

Mr. BENNETT: About another treaty altogether.

Mr. MACKENZIE KING: About the previous treaty, which the present one so completely reproduces.

Mr. LADNER: The Prime Minister has stated that the differences between the treaties were of minor importance, but he takes great care to expand the degree of difference which exists with respect to every particular clause. Speaking for the members on this side of the house I want to say that their sentiments and desire were to view the clauses of the treaty between Canada and the United States in the interests of Canada, and to safeguard the great industry concerned. Had we been in a state of animated disturbance like my good friend the Minister of National Health (Mr. King), during his speech between last year and this year we might have developed the subject matter of the treaty distinctly along partisan lines. That, however, was not the intention of hon. members on this side of the house. The idea was to produce a sound treaty, and the fact that modifications have been made is indicative that changes were necessary. The fact that the Prime Minister was willing to let the treaty stand last year and bring it up this year during the last days of the session is indicative of the fact that he could not have had a full faith in the soundness of the treaty last year. Perhaps

I should not put it that way, but I may say that at least he must have been satisfied that it could not have been put through last year. I regret the position taken by the Prime Minister when he uses this treaty to develop a bias of political partisanship where circumstances did not require and did not warrant such action. After all we are concerned with a public question highly important in international affairs and with the working out of the ideas contained in the treaty. It has constructive features and its operation might be beneficial to Canada as a whole, in which we as citizens and members of parliament are interested.

I commend the treaty; I believe the principles involved in both the treaties of last year and this year were sound, and that good will be the result. I reflect the suggestions made by some other hon. members that wisdom, discretion and care should be exercised in the presentation of our case to the commission, because we will not only be faced with important and difficult problems but we will be met by the best brains of the United States.

Section agreed to.

On section 2—Inconsistent legislation.

Mr. BENNETT: The manner of approach in dealing with international problems is of first-rate importance. When I read from Hansard of last year as to the manner in which we approached this problem, and contrast it with the observations made by the Minister of National Health and to a lesser degree the right hon. the Prime Minister, I am perfectly content that it be left to the public to judge as to whether we on this side of the house have approached this matter in a spirit of narrow partisanship. I have been attacked with great ferocity by one of the newspaper organs of the hon. gentleman opposite, the Vancouver Sun, for the position which I took last year in connection with the treaty. The treaty submitted last year has vanished, and another has taken its place; the treaty submitted last year was never discussed in this house. It was referred to a committee and in that committee it was discussed, the evidence was taken down and is recorded as a matter of history in the proceedings of this parliament. In view of what took place in the committee the right hon. the Prime Minister withdrew the treaty.

An hon. MEMBER: No.

Mr. BENNETT: The Solicitor General says no.

Mr. CANNON: I never said anything.

[Mr. Ladner.]

Mr. BENNETT: If hon. members will look at Hansard—

Mr. CANNON: I beg the hon. gentleman's pardon; I did not say anything.

Mr. BENNETT: I thank the Solicitor General; some one else said it, but I thought it was he. It must have been someone sitting beside him. Appearances are sometimes deceptive and remarks do not always indicate with the greatest degree of certainty the individual who made them. On that occasion I think the Prime Minister took a very proper course. He said that he had taken such action for the purpose of enabling the matter to be further considered. Hansard reports his remarks as follows:

> We believe that it would be in the best interests of all people interested that it should be withdrawn because of the attitude expressed in the committee by some of the members from British Columbia—

At that time the right hon. gentleman read into the record telegrams which had passed between the premier of British Columbia and himself. The position which I took at that time is reported as follows:

> Mr. Speaker, I think the conclusion at which the right hon. gentleman has arrived is a sound one in the premises. I do not know that that will strengthen his own opinion, but at least that is my view.

Then I made the following observations:

> I may say, Mr. Speaker, that so far as we who sit to your left are concerned, with respect to all matters dealing with international relations we approach them in a spirit entirely non-political, or at least we endeavour to do so. It is with us not a question of Liberal or Conservative, not a question of the opposition or the government. I think we are all agreed that a satisfactory treaty is desirable. In view of the fact that the propagation of sockeye salmon takes place in the province of British Columbia and that the larger number of the salmon has heretofore been caught in American waters, it becomes of great importance that we should, if possible, arrive at some arrangement with our neighbours. A satisfactory treaty is therefore not only desirable, but is necessary for the preservation of the industry and the making available for food of this very valuable fish. But that a treaty is desirable does not make it imperative for a public man to accept as the last word any treaty that has been submitted; and there are acute divisions of opinions as to the desirability of this particular treaty. Some of the terms of the treaty are found upon analysis to be most undesirable from a national viewpoint.

The right hon. the Prime Minister made further observations, during which he read a telegram from the British Columbia Packers, Limited, and in the end I said:

> Under these circumstances I congratulate the Prime Minister upon taking the course he has, which I think is in the public interest, wholly

devoid of any political consideration, and which will enable the public, by careful study and research, to ascertain fully what is involved in this treaty at this time. In that attitude we approach the solution of the problem, and not in any narrow party sense.

The hon. Minister of Public Health has referred to the fact that there were differences between the federal party in this house known as the official opposition and the Conservative government of the province of British Columbia. There is no doubt about the fact that the government of British Columbia expressed its approval of the treaty in formal terms, and that the premier of that province was most anxious that it should be adopted. After parliament had prorogued I ventured to point out to him certain considerations which I thought should influence his judgment, to which his attention had not been directed at that time. Those matters were considered by him. In December last, in consequence of considerations, as the right hon. gentleman says, which appeared to the American Senate to be good, the treaty was withdrawn from the Senate where it had been sent for ratification. It will be remembered that when we were sitting here last year, on June 4, 1929, it was thought that the American Senate might decline to ratify or approve the treaty, but at any rate the treaty was withdrawn in December last from the Senate and thereupon a successful effort was made to negotiate a new treaty, which is the document now before the house.

May I point out that so far as the government of British Columbia is concerned, doubtless members of this house have seen an interview given by Premier Tolmie in which he stated that he had sent a telegram to me asking me to communicate with the Prime Minister before the treaty was signed, and make such suggestions as I thought desirable. I am bound to say that the attitude of the right hon. gentleman was one of great frankness. He received my expressions of opinion with great courtesy and I shall presently point out that I think the substance of the few suggestions I did make have been accepted. I certainly did not approach the right hon. gentleman at the instance of the premier of British Columbia in any party sense, and I am bound to say that he did not consider the observations I made in any party sense either. He thanked me for what I had said to him and I thanked him for the opportunity he afforded me to present the views which I held. More than that, he was good enough to indicate in a general sense what the contemplated treaty was, and the matter ended.

Now, the treaty that is submitted for ratification to-day in my judgment is being submitted in the form in which such an instrument should come before this house. Last year I pointed out that instead of a mere resolution being submitted it was the better opinion of the authorities, especially of Professor McNair of Cambridge University, who edited the last edition of Professor Oppenheimer's book on international law, that any treaty which involved a charge upon the revenues of the country should be submitted to parliament by bill and not by resolution. When the right hon. gentleman the other day stated that he proposed to submit the treaty for the approval of this house by bill, I thought then and still think that he and the government are to be congratulated for having accepted not my opinion only but the opinion expressed by Professor McNair and the leading authorities as to the way in which a treaty should be considered by a parliament when it is desired to ratify it.

Now let us ask just a few questions with respect to the treaty, and in no narrow sense. The Minister of National Health apparently has not read the treaty with the care one would expect. There are certain very well defined changes between the document now submitted for ratification and the document which was before the house last year. One of the most essential matters, and the really essential matter about which a great deal of opposition was raised last year in the committee, was this: We did believe and held the view very strongly that it was not desirable that the commission should acquire property or purchase real estate. I stated my reasons with great frankness. This treaty meets that difficulty, and in my judgment meets it in a manner that should commend itself to every thoughtful Canadian. The concluding paragraph of article 8 is as follows:

> Each high contracting party shall acquire and place at the disposition of the commission any land within its territory required for the construction and maintenance of hatcheries, rearing ponds and other such facilities as set forth in article III.

In my judgment that is the correct method under which an international commission should operate when dealing with problems which affect both parties. Instead of asking an international commission to acquire the property we say that the respective governments will acquire the property for the use of the commission, and what is the benefit of that? I think the benefit was acknowledged and admirably expressed by the reference made by the right hon. Prime Minister to the legal

result that follows at the expiration or termination of the treaty. If the high contracting parties own the property, obviously any improvements made upon the property so owned will inure to the benefit of the party who owns the property, thereby relieving us of any difficulty as to whether or not the commission should own property upon which joint moneys have been expended; because it is contemplated that moneys will be expended alike by the United States and the Dominion of Canada and, that money being so expended upon the property of each of the nationals, it follows that the improvements so placed will become the property of the national that owns the land in question. Instead of the commission owning the land, as was contemplated last year, we now have the government acquiring the land for the use of the commission, thereby removing from the treaty one point about which we made the strongest possible statements in the committee, of which I was not a member, but when I say "we" I mean our friends.

That there was another point about which—

Mr. MACKENZIE KING: Before my hon. friend leaves the point on which he has been touching, I assume he recognizes that the advice given by the Department of Justice with respect to the significance of the word "acquire" was correct.

Mr. BENNETT: That it did not mean anything?

Mr. MACKENZIE KING: That nothing further has been secured under this present treaty with respect to the point which my hon. friend has raised. The Department of Justice contends we would have been in the same position under the treaty as it formerly existed.

Mr. BENNETT: I entirely differ; I think the right hon. gentleman has adopted the correct course by providing that the land does not belong to the commission but to the governments which acquire it.

Mr. MACKENZIE KING: The Department of Justice held that under the former treaty that result would follow.

Mr. BENNETT: But the distinction, in my judgment, is that the whole problem has been removed from the realm of doubt and now becomes a matter of certainty. In the one instance you say the government owns the property and in the other instance you said the commission owned the property, and it would be a fruitful source of difficulty if, after the expiration of the treaty, one of the contracting parties should say "We have spent large sums of money upon this particular area of land that belongs to the commission, and we claim it to be ours." You have no longer left it in the realm of conjecture and doubt but have removed it from that realm and made it certain that the commission does not acquire or own the property but that the respective governments purchase and acquire the property for the use of the commission. It follows as an implication of law that any improvements made upon the land so acquired by either national or by anyone else shall inure to and become the property of the party who owns the land. That, it seems to me, is highly desirable, and I congratulate the government upon having made that change in the treaty, which I consider to be of the utmost importance.

The other point is one to which too much importance cannot be attached, namely, that there shall be two members representing each of the parties affected voting on any particular question before it can be resolved at all, either favourably or unfavourably. In other words, instead of leaving it to three members of the commission from Canada, with one American commissioner, to determine a question, there must be at least two members from the United States voting affirmatively with two from Canada before there can be any final action taken. Last year such determination as I have indicated was limited in its operation. It is now applied to every feature of the treaty, and I think no thoughtful Canadian will but agree that this is highly desirable.

Then there was the question of obstructions in the river. One of the questions which we did endeavour to press in the committee was that the Fraser river ultimately would become useful for the development of a great volume of hydro electric power and that we would have grave difficulties if we gave a commission composed of three foreigners and three Canadians the power to remove obstructions in that river. That power now has been taken from the commission. All the commission can do is to recommend to the national authority, namely the government of the country, the desirability of removing the obstructions and the respective governments of the countries assume the duty. Every Canadian desirous of maintaining friendly relations with a nearby country will rejoice in this possible source of difficulty having been removed. Instead of the commission being charged with the power to remove obstructions, such removal can be made only by the government of the country upon the recommendations of the

commission, thereby leaving the exercise of discretion to the government of the country whose territory may be affected. If there is any hon. member of this house who does not think that that is a distinct advantage, then I am sure he is not present this afternoon.

One other matter was referred to by the Minister of National Health (Mr. King), and one which could not have arisen had it not been that this treaty was rejected last year. That delay of nearly a year has been in the interests of Canada and I think of the United States as well. There are three distinct areas of water affected: First, the fresh water of the Fraser river; second, the coastal waters of both the United States and Canada, and third, the open sea—the Spanish banks. The jurisdiction of Canada and the United States over the last named body of water is, of course, no greater than the rights of other people. In other words, the Scandinavians may utilize those waters just as freely as do the fishing boats from Canada or the United States. The treaty gives us the privilege of police jurisdiction over our own nationals and in the exercise of that police power we can make certain that when other nations utilize these fishing banks the catch, which can be landed only in the United States or Canada, would be considered as contraband—using the word in the broadest sense—and would not be permitted to be landed. In that way the police jurisdiction would have affected the purpose intended. To remove the possibility of a difference in that regard, the language of the treaty has been modelled upon that of other treaties, and such offending vessels would be delivered to their own nationals to be dealt with according to the law of the country concerned.

I think we can approach this matter with a great deal of satisfaction, not only because the treaty is better in every sense but because it has made it more difficult for, shall I say, differences to arise between the United States authorities and our own. That is a consideration of the first importance, that the sources or possibilities of differences should be removed. I submit that the present treaty does that to a much greater extent than did the treaty submitted last year. In view of the attacks which have been so unjustly made by those who apparently do not know anything about the treaty, it can be said with pride that because of the treaty having been withdrawn last year by this government, and withdrawn by the American senate in December, a new treaty has been negotiated which removes from the field of international difficulties many causes which undoubtedly would be a source of friction in the administration of the treaty. That being so, it affords me a great deal of pleasure, in view of the opportunity I had to make suggestions to the right hon. the Prime Minister and the sense in which he received them, although somewhat at variance with the observations made to-day, to commend the government for having negotiated this treaty. I express the hope that it will be ratified by the senate of the United States at the earliest possible moment.

I agree with the observations which have been made as to the desirability of the best possible commissioners being appointed. I trust that political considerations will not influence the government in the appointment of these commissioners. The United States government has been very careful in dealing with another treaty not to permit political considerations to influence appointments, and I hope that will be the case with this treaty. If that spirit is observed in the appointment of the commissioners, we will do a great deal to bring to its full fruitfulness one of the most important and valuable industries on the Pacific coast.

It is true that the fish are spawned in Canada; it is true that they go out to sea, and it is true that when they come back fit for human food and seek again their original habitat, they pass by the territory of the United States, so that if great care were not exercised practically the whole catch would be made by them. This treaty provides that the catch shall be divided equally between the two countries, but therein lies one of the remaining sources of difficulty. How that matter will be worked out depends upon the common sense, good judgment and skill of the commissioners who it is hoped will exercise their judgment calmly, their power firmly, and their authority with discretion. When that is done I am sure that Canadians will rejoice that we have been able to secure more of the catch than has been the case heretofore, although it is clear that by reason of the fish having their birth in our country we should be entitled to at least one half.

I deprecate the efforts made by my hon. friend the Minister of National Health, and in a lesser degree by the Prime Minister, to suggest that there is a division of opinion between the premier of British Columbia and myself. They hoped, for reasons which are most obvious, to be able to capitalize that, but I hasten to assure both hon. gentlemen that any efforts they make in that regard will be fruitless and unavailing and that at the appropriate moment forces over which they have no control will be found to be allied in the

future, as they have been in the past, with the party with which I am associated, for the purpose of maintaining its principles and securing a decisive victory at the polls.

Mr. LAPOINTE: That looks like politics.

Mr. BENNETT: I am answering the hon. gentleman.

Section agreed to.

Sections 3 to 6 inclusive agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

## MAPLE SUGAR INDUSTRY

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the house go into committee on Bill No. 59, respecting the maple sugar industry.

Motion agreed to and the house went into committee, Mr. Johnston in the chair.

On section 1—Short title.

Sir GEORGE PERLEY: Mr. Chairman, I would like to ask the minister if the committee was unanimous in its consideration of this bill.

Mr. MOTHERWELL: With the exception of Clause 6, to which an amendment will be offered.

Section agreed to.

Sections 2 and 3 agreed to.

On section 4—Violation of provision.

Mr. GARLAND (Bow River): In connection with this bill, may I ask the minister whether all the changes proposed by the committee in regard to the different sections are now in the amended bill?

Mr. MOTHERWELL: Yes.

Section agreed to.

Section 5 agreed to.

On section 6—Use of certain substances prohibited.

Mr. MOTHERWELL: The differences that have existed with regard to section 6 have been harmonized in an amendment which I beg to move as follows:

6. All articles of food other than maple sugar or maple syrup offered for sale and having a maple flavour not produced by the use of maple syrup or maple sugar must be plainly marked as containing imitation maple flavour, and in the case of public eating places where articles of food so flavoured are offered the menu or bill of fare must state that the flavouring used is imitation maple flavour.

[Mr. Bennett.]

Mr. BENNETT: Does the hon. gentleman think that is intra vires of this parliament? I have had only a moment to look at the amendment, but the Minister of Justice will remember that under the egg grading statute a conviction was quashed on the ground that the section in question was within the jurisdiction of the province and not the Dominion. I have not had time to consider this, but I presume the minister has done so and is satisfied that it is intra vires.

Mr. LAPOINTE: The department has done so.

Mr. BENNETT: One instance that has just crossed my mind is that of walnut maple ice cream; how is one going to put on a menu "imitation flavour walnut maple ice cream"? Are we not interfering with provincial matters in dealing with menus in eating places? I have grave doubts on this point.

Mr. MOTHERWELL: We endeavoured to safeguard it in every possible manner.

Sir GEORGE PERLEY: How much supervision is it intended to exercise over the people who produce the maple sap in the first instance?

Mr. MOTHERWELL: We shall come to that a few sections further on.

Section agreed to.

Sections 7 to 13 inclusive agreed to.

On section 14.—Certificates of official analyst to be evidence.

Mr. GARLAND (Bow River): I simply wish to draw the attention of the committee to the fact that this bill was contentious from beginning to end because of its particularly restrictive character. The members of the committee, however, in order to secure some sort of unanimity, compromised on many of the clauses. The discussion was fairly full, but there still remains some consideration of the principle, if you like, of the bill itself, and especially of the power that is to be given to the inspectors. Under the bill they are empowered to enter and inspect at will, apparently of their own volition. I do not see in the bill any clause compelling the inspector to have grounds to suspect a violation before he may enter upon premises such as a railway car, a ship, a restaurant, an hotel or anything else Surely there should be in the bill some provision that the inspector must have at least grounds to suspect that something is wrong This clause provides simply that he may enter at will.

Mr. MOTHERWELL: I think clause 8 gives that power.

Mr. GARLAND (Bow River): Clause 8 reads:

Any inspector charged with the enforcement of this act shall be empowered—

(1) to enter at will and inspect any or all buildings of whatsoever character in connection with any manufacturing or packing plant, sugar camp or sugar orchard, and take samples of the maple products or any other products found therein, and to enter hotels, restaurants, retail or wholesale stores or warehouses and railway cars, trucks, boats or other conveyances where maple products or products resembling maple products are being manufactured or offered for sale or being carried or held for carriage,—

And so forth.

Mr. MOTHERWELL: Does my hon. friend think that is too much power? It is usual to have it.

Mr. GARLAND (Bow River): What is meant by "at will"?

Mr. BROWN: It should be noted that the words "at will" apply only to manufacturing or packing plants, and not to hotels and restaurants.

Mr. GARLAND (Bow River): I cannot for the life of me see where any differentiation can be made. The opening clause reads: "to enter at will" and the same clause continues to read "to enter." A lawyer can perhaps make the fine distinction.

Mr. LAPOINTE: The words "at will" apply only to the first five lines. The meaning stops before "and to enter hotels."

Section agreed to.

Section 15 agreed to.

On section 16—Regulations.

Mr. GEARY: It looks as if we are going to be so regulated and inspected that by and by we shall have no time to do anything but to be regulated and inspected.

Section agreed to.

Sections 17, 18 and 19 agreed to.

On section 20—Commencement of act.

Sir GEORGE PERLEY: Would the minister tell me what clause covers the extent of the supervision the department intends to exercise over the farmers and others who actually produce the maple sap?

Mr. MOTHERWELL: Clause 10, dealing with manufacturing plants under paragraphs (d) and (e).

Sir GEORGE PERLEY: That provides that all the minister can do is to have a sugar bush registered.

Mr. MOTHERWELL: If it is registered, it is subject to inspection. We must have some supervision over the sugar bushes and the places in which the article is manufactured, so as to be sure that they are reasonably sanitary.

Sir GEORGE PERLEY: All that this says is that the minister may require the sugar bush or sugar orchard to be licensed.

Mr. MOTHERWELL: Then they will be subject to inspection.

Sir GEORGE PERLEY: Where does the act give that power?

Mr. MOTHERWELL: In section 8, and then under section 16 we have authority to draft regulations consistent with the act prescribing the duties of inspectors.

Sir GEORGE PERLEY: No one realizes the importance of the maple syrup industry more than I do. I quite agree with the object of this bill to prevent spurious imitations of the genuine products, but when it comes to inspecting and regulating these little camps all over the country where the sap is being produced, I do not think it can be done satisfactorily. It is all very well to inspect large manufacturing establishments, but there are little places all over the country where maple sap is being produced, sometimes in very small quantities, and it seems to me that the minister is undertaking more than he can handle.

Mr. MOTHERWELL: We do not anticipate that it will be necessary to visit and inspect all these little camps, but when we receive reports of insanitary conditions or of adulteration being practised in any of these sugar camps, we will make an inspection. My hon. friend will note the procedure set out in section 10(a) and 10(b).

Mr. PECK: I had not previously had an opportunity to read through the act, but I notice that in the definitions it is stated that maple syrup may not contain more than 35 per cent of water, and a gallon of maple syrup shall weigh not less than thirteen pounds, two ounces, and shall contain 277·274 cubic inches. Then section 4 says:

Any person who sells or offers, exposes or holds in possession for sale in Canada, or ships or causes to be shipped any maple sugar or maple syrup found to be adulterated or to fail to comply with the provisions of this act or of the regulations thereunder, shall be deemed to be guilty of a violation of this act.

If the owner of a sugar bush produces a certain amount of syrup and it does not contain the exact weight prescribed by this act, he is subject to a penalty of $300. I think that is going a great deal too far. I would like to know whether my understanding of the act is right or wrong.

Mr. MOTHERWELL: He must bring the quality up to the required standard. This business has been exploited by various institutions for a great many years, and this is the first attempt that has been made to regulate the industry. The restrictions have to be of such a nature that they will eliminate the abuses and protect the genuine article. That is the object of this bill. There must be some provision regarding the quality of the product.

Mr. PECK: How are these people going to tell whether the syrup they produce complies exactly with the provisions of this act or not? How are they going to test their product?

Mr. MOTHERWELL: I understand that there will be no difficulty about it. Scientists have discovered ways of testing it.

Sir GEORGE PERLEY: I am very anxious that nothing but the real article should be sold as maple sugar or maple syrup, and so far as the manufacturing plants are concerned, the provisions are all right, but when it comes to regulating and inspecting all the little places where the original maple sap is produced, I would warn the minister to go very slowly. I think it is absolutely impossible for him to inspect these places all over the country.

Mr. LAPOINTE: What would the hon. member suggest to secure the purpose that he himself says is desirable?

Sir GEORGE PERLEY: I am in favour of this bill but I would warn the minister against interfering with those who actually produce the original article.

Mr. MOTHERWELL: We will go gently. We are always lenient at the start in connection with all these restrictive measures.

Sir GEORGE PERLEY: I can understand that the large producers want this legislation. But the adulteration very seldom takes place where the sap is produced. It takes place afterwards, and again I warn the minister against attempting to regulate the places where the sap is produced in the first instance.

[Mr. Peck.]

Mr. BENNETT: May I direct the attention of the Solicitor General to sections 16 and 17, whereby the minister is empowered once more to make regulations and promulgate them. Those who violate them are liable to be fined $300, and to be sent to gaol if they do not pay the fine. Surely we should have the regulations published in the Gazette before they become operative.

Mr. MOTHERWELL: They will be.

Mr. BENNETT: Naturally, but I am talking about notice being given. The Solicitor General was good enough the other evening to accept my suggestion with respect to another bill.

Mr. MOTHERWELL: All these regulations are published in the Gazette.

Mr. BENNETT: But I want it stated in the statute that the regulations shall only become effective so many days after they are published, so that men will not be violating the law unknowingly. I have not prepared a clause, but the Solicitor General knows the sort of clause that I think should be added here.

Mr. MANION: How many inspectors of various kinds has the department appointed since the present minister took charge of the department? Has he any idea?

Mr. MOTHERWELL: No more than were absolutely necessary. These inspectors will come under the Fruit branch.

Mr. MANION: It is a question whether all the appointments were absolutely necessary or not. Year after year, ever since the minister has been minister, he has been appointing inspectors. There has never been a year when he has not had three or four bills to appoint inspectors of one thing or another. This year, owing to his health not being very good, we have escaped bills of that nature until the very end of the session. Of course, I am very glad to see that the minister's health is better, as we all are. Can he tell the committee how many inspectors he has appointed since he became Minister of Agriculture?

Mr. MOTHERWELL: If the hon. member will ask for a return, I will try and get the information.

Mr. MANION: I am afraid that if I did the next government would have to bring it down.

Mr. KAISER: Have we had any inspectors on this particular job before?

Mr. MOTHERWELL: So far as possible the present fruit inspectional staff will take care of this work. It may require one or two more inspectors; I do not know. It will come under the fruit commissioner, whose inspectional staff already looks after two or three different classes of commodities. We are now adding maple sugar to them.

Mr. KAISER: This is essentially a question of the adulteration of food, and how does it happen to fall to the Minister of Agriculture to administer an act that should be administered by the Department of National Health?

Mr. MOTHERWELL: When we get cases of adulteration of food, we submit them to the Department of National Health for analysis.

Mr. STEWART (Leeds): Is there any recognized organization of producers of this product in the province of Ontario?

Mr. MOTHERWELL: Not that I know of in Ontario.

Mr. STEWART (Leeds): Then the minister has no official representations from the producer in Ontario with respect to the subject matter of this bill. Is there an oganization of that nature in Quebec?

An hon. MEMBER: Yes, sir.

Mr. STEWART (Leeds): And have they made representations asking for legislation of this kind?

An hon. MEMBER: Yes.

Mr. STEWART (Leeds): It seems to me that the troubles in the past have come, not from the producer but from those who purchase the product and then manipulate, adulterate and misrepresent it to the public. This legislation, I think, bears too severely on the producers.

Mr. MOTHERWELL: I think not. My hon. friend will notice that there is not even any fee charged.

Mr. STEWART (Leeds): It is not a matter of fee; the financial end of it is all right. But the farmer with a hundred trees in his bush must apply to the minister for a licence before he can make or sell his product.

Mr. MOTHERWELL: If he exports or sells it in interprovincial trade, but not otherwise.

Mr. STEWART (Leeds): If he sells to a man who is going to export it, he will have to live up to these conditions. So the effect of this bill goes right back to the producer. He will have to comply with its provisions, otherwise his prospective purchaser will not take the product.

Mr. BROWN: He would not take it anyway if he did not consider it came up to the proper standard.

Mr. STEWART (Leeds): But the intending purchaser has the opportunity of inspecting the product. That gets me back to the point that the troubles in the past have not been with the producer at all but with the purchaser who manipulates and adulterates the product. Yet you are imposing on the producer handicaps and restrictions that are going to be very grievous and I think you will hear from those affected.

Mr. MOTHERWELL: We will have to suffer, but they will not.

Mr. STEWART (Leeds): I do not think the minister will have to suffer at all.

Mr. MOTHERWELL: If we put through any foolish legislation we will naturally suffer.

Mr. CHAPLIN: You have always a chance to change it as you did the New Zealand treaty.

Mr. PECK: Section 4 provides that any person who sells or offers, exposes or holds in possession for sale in Canada maple sugar or maple syrup not complying with the standards prescribed by this bill shall be deemed to be guilty of a violation of the act. Any small farmer with a few gallons of maple syrup is forbidden to sell it unless it stands the test set out in the bill. How is the small producer going to test his syrup by these standards?

Mr. MOTHERWELL: I understand there is a little instrument in use called a densimeter that registers the density of the syrup.

Mr. ROSS (Kingston): Will the minister's deputy say that every producer has one of these densimeters?

Mr. MOTHERWELL: No, but every considerable one has.

Mr. TUMMON: How far does that go "every considerable one"? A farmer with fifty trees may make a certain amount of syrup for his own use and sell a few gallons to a neighbour or to a town nearby, and he will be subject to these regulations.

Mr. COTNAM: Are the small producers to be subject to all these regulations?

Mr MOTHERWELL: I think the complaint is that the owners of small sugar bushes will not be able to get the proper analysis of their syrup in order to protect themselves. As far as that is concerned, under the regulations of the Department of Public Health sugars have to be of a certain quality to comply with the food laws. There is no change in that respect whatever.

Mr. COTNAM: But the reference is to the small producer who makes sixty or seventy gallons of maple syrup, uses a small quantity for himself and sells the surplus. Are all these regulations to be inflicted on him?

Mr. MOTHERWELL: Has my hon. friend any suggestion to make superior to this? We have been working on this bill for two or three years before the agricultural committee, but we are still open to suggestions.

Mr. KAISER: Could the minister give us some idea of the number of inspectors he will require?

Mr. MOTHERWELL: We will need only three or four in addition to the fruit inspectors that we already have.

Mr. TUMMON: I may be living alongside another farmer who taps a hundred trees in the spring. He makes four or five gallons of maple syrup more than he needs for his own use. Could he sell that surplus to me or to another neighbour without coming under this bill?

Mr. MOTHERWELL: Yes.

Mr. COTNAM: Suppose we go a little further, suppose the farmer brings his surplus maple syrup to a neighbouring market, will he be subject to these regulations?

An hon. MEMBER: Yes.

Mr. COTNAM: Do you not think that is going to work a hardship?

Mr. CANNON: They have to sell pure syrup anyway.

Mr. COTNAM: They are selling pure syrup.

Mr. CANNON: Then they will not be bothered.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall said bill be read a third time?

Mr. MACKENZIE KING: Now.

Mr. MOTHERWELL moved the third reading of the bill.

[Mr. Cotnam.]

Mr. BENNETT: As I understand it, Mr. Speaker, an effort will be made in another place to ensure that the regulations do not become effective until the expiration of some days at least after they have been promulgated in the Canada Gazette.

Mr. CANNON: I assure my hon. friend that that will be looked after.

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

## REPRESENTATION ACT AMENDMENT

Hon. LUCIEN CANNON (Solicitor General) moved the second reading of Bill No. 13, to amend the Representation Act.

He said: Before the house decides whether or not we should go into committee I wish to point out to the house that it is the intention of the government when we reach the committee stage to delete from the bill as it now stands sections 1, 2 and 3, and in connection with section 4 we would leave the first paragraph and delete the remainder. In explanation may I say that we would like to pass the bill now, taking from it anything in connection with the Yukon and the Northwest Territories, but giving the Dominion franchise to the people who inhabit the mining area in the territory of Patricia, and that that mining area, which is wholly within the province of Ontario and the citizens of which vote at provincial elections, would be entitled to vote at Dominion elections in the district of Kenora-Rainy River. The other sections of Patricia would be left as they are at the present time. That is they would not be attached or annexed to the adjoining constituencies, because I understand that there the population is not very considerable. We will attach the one section to Kenora-Rainy River because it is a mining area where several hundred electors, who vote at provincial elections, live, and we would like to give them the same privilege for the federal election.

Mr. BENNETT: Mr. Speaker, a more barefaced, iniquitous piece of political legislation has never been placed before this House of Commons in the dying hours of a session; never. No part of the province of Ontario exists which is not within an electoral district at this moment. The object of this legislation is to take from one electoral district a small area and give it to another for the benefit of the Minister of Labour, because there were a few votes given in favour of a candidate whom he supported at the last provincial election.

Mr. CANNON: Surely my hon. friend wishes to be fair. This territory of Patricia is not within any constituency, and it is actually unorganized.

Mr. BENNETT: Part of it is.

Mr. CANNON: My hon. friend says that I want to take a section which is in one constituency and attach it to another.

Mr. BENNETT: Yes.

Mr. CANNON: This territory is unorganized and the proposed legislation does not amount to bold robbery. I explained frankly to my hon. friend what we intend to do. Our object is to give the franchise to people who live there, and to people who want to have it. There is no robbery in that.

Mr. LAPOINTE: They will not vote anyway.

Mr. CANNON: The provincial government gives them a franchise. Why should we deny them what the Ferguson government gives them?

Mr. BENNETT: The point is that the Northwest Territories of Canada have been given representation in this house only with regard to that part which constitutes the district of Yukon, and no other part.

Mr. CANNON: But this is in Ontario.

Mr. BENNETT: I will come to that. A portion of this territory—

Mr. LAPOINTE: It is provincial territory.

Mr. BENNETT: I am coming to that. The Northwest Territories are without any province; this district is within a province, and every part of the province belongs to an electoral district.

Mr. CANNON: No, not if it is unorganized.

Mr. BENNETT: It does not matter whether it is organized or not.

Mr. CANNON: It certainly does.

Mr. BENNETT: There is no part of the province of Ontario which is not within an electoral district.

Mr. CANNON: Yes, certainly, Patricia is not.

Mr. BENNETT: There is no part of the province of Ontario under the constitution which is not within an electoral district.

Mr. LAPOINTE: Will my hon. friend say whether those people are entitled to a vote?



Mr. BENNETT: Surely the Minister of Justice knows that the province of Ontario is divided into 82 electoral districts; every acre of land in Ontario is comprised in those districts.

Mr. LAPOINTE: If my hon. friend is right this is absolutely unnecessary.

Mr. BENNETT: Quite so.

Mr. LAPOINTE: But I think he is wrong.

Mr. BENNETT: Let it stand, then.

Mr. MACKENZIE KING: We will drop it.

Mr. LAPOINTE: Where is the political iniquity, if they already have the right to vote?

Mr. BENNETT: The political iniquity would be in taking from one constituency—

Mr. CANNON: We know.

Mr. BENNETT: Every part of Ontario is in some constituency.

Mr. CANNON: Surely my hon. friend is not serious.

Mr. BENNETT: The Solicitor General knows very well that the constitution of this country provides that the province of Quebec shall have 65 members in the federal house, and under the constitutional arrangement the province of Ontario has 82. My hon. friend did not look into the Representation Act. I have investigated this matter with extraordinary care, but not in connection with this particular bill. The map clearly shows, and the Representation Act makes it clear, that no part of the province can be excluded from some electoral district. That is the position in respect to it.

Mr. CANNON: In view of the stand taken by the leader of the opposition, although I do not admit that this bill represents anything of an inquitous nature, I am satisfied that it should be dropped. Apparently the hon. gentleman considers that this is a contentious measure.

Mr. BENNETT: Yes, I certainly do.

Mr. CANNON: In view of that fact the government is satisfied to drop it.

Mr. LAPOINTE: If my hon. friend is right all those people will vote somewhere.

Mr. SPEAKER: Is it the pleasure of the house that the hon. member have leave to withdraw the bill?

Some hon. MEMBERS: Yes.

Mr. SPEAKER: Dropped.

Motion withdrawn.

## BUSINESS OF THE HOUSE

ORDERS WITHDRAWN—EXPEDITING BUSINESS IN ANTICIPATION OF PROROGATION AND ELECTIONS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, there are some bills on the order paper which, as I said last night, are likely to be contentious, and with them we shall not proceed. It was thought that when the Solicitor General had made an explanation in connection with the last bill there might be no objection. However, as strong objection has been taken, the bill has been dropped. I am advised also that there will be some contention in regard to item No. 12 on the order paper respecting Bill No. 56, an Act to amend the Dominion Forest Reserves and Parks Act. Under the circumstances I ask for the consent of this house to have this bill also dropped.

Mr. BENNETT: May I say to the right hon. gentleman that the only point raised the other day was as to whether or not the provinces affected had expressed their desire that this legislation should be passed. I am advised that officials in one of the provinces thought it should not be, and as a result the minister is in doubt as to whether he should proceed with it.

Mr. SPEAKER: Dropped.

Mr. MACKENZIE KING: My purpose is to shorten as much as possible the present proceedings.

I direct the attention of the house to item No. 15, under government orders, the second reading of Bill No. 36, an act to amend the Government Harbours and Piers Act. I have been told that this bill may occasion controversy, and I ask for unanimous consent to drop it.

Mr. SPEAKER: Dropped.

M. MACKENZIE KING: I direct the attention of the house to item No. 16, under government orders, the second reading of Bill No. 37, an act to amend the Copyright Act. This is a cumbersome piece of legislation and is contentious in many respects. If my hon. friends will agree, it also will be dropped.

Mr. BENNETT: Quite agreeable.

Mr. SPEAKER: Dropped.

Mr. MACKENZIE KING: I have only one other matter before me; I refer to item No. 17 on the order paper, a resolution respecting the Government Employees Compensation Act. I am told that there is likely to be some controversy in connection with this resolution, and it had better therefore be left over for another session. In the circustances I ask for permission to drop it.

[Mr. Speaker.]

Mr. BENNETT: I am not informed as to the details of this resolution, but I assume the statement of the Prime Minister is correct.

Mr. SPEAKER: Dropped.

Mr. MACKENZIE KING: I would suggest that the house do now go into committee of supply. At this point, I think I should say a word to the house with respect to the present position of the order paper. We have now completely cleared the order paper of all business except what remains of supply to be voted. It is true that there is still a considerable amount of supply to be considered, and I realize hon. gentlemen opposite are anxious that no supply should be granted that should not be granted and that they should have ample opportunity to discuss the different items. Every facility has been offered by members on all sides towards enabling the government to reach the point where it may be possible to prorogue not later than to-morrow night. I realize that if we are to prorogue not later than to-morrow night there will have to be some further and final agreement between members in all parts of the house to make that possible. What I am now about to say is with the object of enabling every hon. member to see the situation as it actually is, with its important bearing on present and future matters which will have to be very carefully considered.

First of all, I have heard to-day from different sources that there was a rumour abroad that the government intended, if we did not complete supply by to-morrow evening, to ask His Excellency to dissolve parliament notwithstanding.

Mr. BENNETT: I do not think anyone took that seriously.

Mr. MACKENZIE KING: I was going to say that if anyone took it seriously he could dismiss the idea at once. There is no thought of that kind in the mind of the government and there has never been any such thought. I stated at the outset that I hoped it would be possible for us to bring the proceedings of parliament to a speedy determination in an orderly fashion; that has been done up to the present, I think, in a remarkably orderly way, and I hope will so continue until the close. As hon. members know the government has desired to bring on the election as soon after prorogation as may be possible, for this reason amongst others: The period required between the issue of the writs and the day of polling is two months, and that is a long time. It was about a month ago, or rather, to be exact, near the begin-

ning of this month, that I announced to the house and to the country that there would be a general election this year and that dissolution would take place immediately after prorogation. The effect of that announcement has been that ever since we have had the campaign proceeding to quite a considerable extent outside of this house. If we are to have the election by July 28, which is the date on which the government has hoped it may be possible to hold it, it will be necessary to effect prorogation to-morrow night. If we do not manage that it is just possible that by some special arrangement it might still be within the power of the chief electoral officer to arrange for steps to be taken which will permit of prorogation on Saturday, but that at the present moment is not certain.

Mr. BENNETT: I think not.

Mr. MACKENZIE KING: At all events, we should err on the side of safety. If we do not prorogue to-morrow night then, as I explained on a previous occasion, the election cannot take place until the eleventh of August, for the reason that under the Elections Act the election must be on a Monday and the first Monday in August is a public holiday throughout the province of Ontario, a civic holiday in most localities. Everyone agrees that it would not be wise to have an election on that day. The alternative to having the election on July 28 is to have it on August 11. May I say that so far as the country is concerned, the business interests of the country in particular, I feel sure they would greatly prefer that the election be brought on in July rather than in August. An electoral contest until it is over is an unsettling business, and as I have said we have been carrying on an election campaign now nearly a month. If that is to be extended another two months and then for a further two weeks beyond that time, it will mean that something like three and a half months, or over a quarter of the year, will have been taken up in electioneering. I do not believe hon. members themselves desire to have the campaign carried on for that length of time, and I feel perfectly certain that the country will feel that if such a condition can be reasonably avoided it should be done by having the election at the earlier date. Another factor which I think is important to consider is that an election on August 11 will bring us into the period of harvesting in the west and in other parts of the country; that, I believe, would be considered unfortunate as far as the western provinces and other parts of the Dominion are concerned.

However, in the opinion of the government, there is another reason which I feel I ought to make very clear to the house why we should make every effort—and it will have to be by general agreement—to prorogue immediately. It is this: The whole purpose of bringing on the election at an early date has been to enable Canada to be represented at the Imperial conference and the Imperial economic conference which open in London on September 30. My hon. friend at the beginning of the session expressed the view that whatever government was representing Canada at the time of the Imperial conferences should have a mandate from the people which would permit its ministers to speak in the name of the country at these conferences. I think in that particular he is entirely right and in that the country will agree with him.

Mr. BENNETT: I hope so.

Mr. MACKENZIE KING: May I point out that it is going to be difficult, no matter what may be the outcome of the election, for Canada to be as well prepared for these very important conferences as she should be. There are one or two possibilities as to the outcome of a contest. The present administration may be returned; I hope it may. I will not go further than that at the moment, but if it is returned, I know from some experience of previous conferences and what they mean that it is going to take some little time properly to prepare for their proceedings. The ministers who are to attend, and the officials who will go with them, will need as much time as they possibly can get, especially after a general election, to enable them to have the work in such shape that Canada can be represented satisfactorily.

There is another possibility, which I hope is not going to be realized; that is that my hon. friend opposite may be returned to power. May I say that should he be returned to power he and the members of his administration will find the task of being in readiness for those conferences still more difficult. There will be the necessity of by-elections, but there will be also the problem of forming a government and becoming familiar with the matters to be taken up at the conferences. I imagine little enough time will be permitted even under these circumstances, but there is a third possibility, which is that there may be some uncertainty as to the results of the election itself. May I say that I very much hope that that will not happen, but if it should happen—

Mr. GARLAND (Bow River): It will happen.

Mr. MACKENZIE KING.—that there is any uncertainty as to which party commands the confidence of the electors, then I would feel it necessary to ask His Excellency to summon parliament immediately in order to decide that question before any representation of Canada was made at the conferences. I do not believe that any other course would meet with the approval of hon. gentlemen opposite; certainly in such circumstances no other course would enable an administration to say that it had a mandate from the electors to represent Canada at the conferences. If we are to provide for that possible contingency it must be remembered that it takes something like forty days after the day of polling at a general election before the last of the writs is likely to be returned; at least some such length of time has been the period in the past. It would in case of uncertainty take a day or two after the elections to know what the final result would be, and in case of any uncertainty as I have just said there would be the necessity of summoning parliament. Then there would be the time required for the procedure essential to the opening of parliament, and the time likely to be involved in the discussion which would follow, and in any such contingency I venture to say it will prove impossible, unless we prorogue to-morrow night, to have Canada represented at the conferences in September. If we are to have the elections on August 11, then it must be understood that in the event of there being any uncertainty in the results, parliament will be reconvened, but equally that there can be no representation of Canada at the conferences until they are well under way with their proceedings.

These facts can be verified for themselves by hon. gentlemen. I have brought this matter before the house because I realize that hon. gentlemen opposite have it in their power to prevent prorogation to-morrow night. I wish to be scrupulously fair in this matter. The government has no desire to withhold discussion on any of the estimates. As I stated a few days ago, the estimates have been before parliament for two or three months and if there are any features which hon. members wish to have discussed, the government will bring those forward immediately so that they will not be left until the last minute. The government is prepared to bring forward the estimates for the purposes of discussion, in any order which my hon. friend and the leader of the Progressive group (Mr. Gardiner) may suggest. We shall do that in order to ensure that matters in which hon. members are specially interested shall be discussed at once. While I realize that there may not be an opportunity for the full discussion which hon. members might desire should take place, it must be agreed that the present situation is a little different from what would apply to any other session of parliament. The government has it within its power to carry the estimates, and I think they will be carried no matter how long we take in discussion. If my hon. friend should be returned to power, I am sure that he will be very glad that we have carried them because he will find they are all necessary. However, the opportunity will be afforded for the next few months of discussion before the people, and I think that that should serve any purpose which would be served by additional discussion here.

Let me repeat, as a government we are, as respects the dates of prorogation and of the elections, in the hands of hon. gentlemen opposite. If we cannot conclude to-morow night, then the elections will take place, I hope not later than August 11, but certainly not before that date. If we prorogue to-morrow night, the intention of the government is to ask His Excellency for an immediate dissolution of parliament and to have the elections on July 28.

In the preparation of the supplementary estimates the administration has been careful to endeavour to exercise economy and discretion in what we have recommended to the house. It will be seen that care has been taken not to include items which might be regarded as having been included for political purposes. We have tried to keep the supplementary estimates as to purposes and amounts in a form which would commend itself to the house generally. Let me repeat, if any arrangement is to be arrived at as between the different parties in the house it can only be by cooperation on the part of all. In so far as the government is concerned we will do all that is within our power to further that cooperation.

At six o'clock the house took recess.

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## After Recess

The house resumed at eight o'clock.

Mr. SPEAKER: On Thursdays I leave the chair without question put for the house to go into committee of supply, but following the remarks made by the Prime Minister (Mr. Mackenzie King), I think it is only fair that the leader of the opposition (Mr. Bennett) should be permitted to speak.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I was quite content to make the observations I desire to make after you left the chair, but I rose only to say that I proposed to make a few remarks. The Prime Minister in his observations this afternoon indicated that a situation had been reached when we should decide whether the estimates that are before the house should be carefully and faithfully considered in detail or we should endeavour to secure prorogation by to-morrow night in order that dissolution may follow and a general election be held on the 28th of July. I cannot but think it desirable under our form of government that every possible opportunity should be taken by those who constitute an opposition or who sit in opposition to a government, to analyse its expenditures for the purpose of ascertaining just what the administration proposes to do with the money raised by the taxation of the people of the country. It is idle to say that on the hustings there can be a discussion of the causes for the expenditures. It is because of this fact that when supply is being granted, we ask questions, sometimes embarrassing for those who have to answer, for the purpose of ascertaining just how the country's business is being transacted. We can do that only in supply as our institution now exists. The right hon. gentleman, in his all-too-brief, but what let us hope, will be more extended, experience in opposition, will remember that he regarded it as important that he should study expenditures and criticize the attitude of administrations with respect to them. That after all, has been the duty of an opposition since the party system first began to develop. In other words, with the airing of grievances preceding supply, when the house goes into committee of supply for the purpose of determining what expenditures shall be made, it has a right to inquire and usually does inquire with great care as to how the money is proposed to be spent. That opportunity will not be afforded to the house if it prorogues to-morrow night.

On the other hand, as the Prime Minister has said, there may be in each of the departments certain large contemplated expenditures about which it may be possible to obtain information. I think the Prime Minister has, perhaps with some reluctance, reduced the demands in the supplementary estimates of those who sit behind him. At least, knowing human nature as I do, I think it would be very strange if he had not, and I can readily understand he experienced some difficulty in that regard, for the supplementary estimates, although amounting to $11,000,000, of which $2,500,000 represents a number of items from the Auditor General's report and governor general warrants, have been reduced by, I should think, about 500 per cent from what the hon. gentleman was asked to accede to. To that extent he has endeavoured to reduce to a minimum the causes for discussion and dispute.

Mr. MANION: There is a further supplementary of $9,000,000.

Mr. BENNETT: The amount was $20,000,000 altogether, but of that amount $9,000,000 arises in connection with legislation which the house has unanimously adopted. I think that is a fair way to put the matter.

I am not unmindful of the fact that business is in some respects dislocated during a period of a general election, but that is usually so when elections are held in days of buoyant revenues and large favourable balances of trade. Under existing conditions, however, which have been brought about by my hon. friends opposite, a little more difficulty in business because of an election will perhaps not be so perceptible. At any rate I think that is so. While we desire, as I have said, to criticize many of these items; while in fact there is one department alone regarding which I think the public interest would be well served if we took a week in discussing its estimates; in view of the position taken by the administration; in view of the provisions of the Elections Act necesitating a contest being held on a Monday—the act might have been amended if it had been done early enough, but certainly it could not be amended as the matter stands now because the whole machinery of the act is predicated upon an election being held on a given day of the week and all the computations of time are made from that date—in view of the possible effect upon business, and in view of the very earnest desire there is on this side of the house that this administration should be replaced at the earliest possible moment, we will continue to the best of our ability to expedite the business of the country; and unless some unforeseen circumstance arises or some revelations of startling character appear when the ministers indicate what they propose to do with the people's money, we shall be glad to assist the government in bringing about the prorogation of parliament tomorrow. That is the best that we can do under the circumstances.

I think that the right hon. gentleman will say that since we first discussed the matter we have endeavoured to the best of our ability to expedite the business of this parliament. We had hoped that by so doing there would be a greater opportunity afforded

for the discussion of the estimates; but I warn hon. gentlemen opposite that if they go to their constituencies and say that the opposition have acceded to all the expenditures that the government proposed, unnecessary though some of them may be, they will be confronted with the observations of their own Prime Minister this afternoon, who indicated that discussion of the estimates in detail would not be possible if dissolution of this parliament were to take place to-morrow. So choosing, as we do, dissolution rather than detailed discussion of the estimates, we will to the best of our ability assist in bringing about that end.

I do not know that I can usefully add anything further except to say that the views of those who sit to your left, Mr. Speaker, and who a few short weeks ago expressed their earnest desire for an early opportunity to present to the people of this country their views upon political matters, have been greatly confirmed by what has transpired since in their opinion of the insincerity and instability of the administration, and hope that the people may have an early opportunity to pronounce judgment upon a body of men who are no longer fit to govern the country.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, I have taken the opportunity of consulting with my colleagues with regard to the possibility of proroguing to-morrow. In view of the fact that the date of the Imperial conference had been set, I think it would have been better if the Prime Minister had called parliament earlier; for we were two weeks later in meeting this year than in recent years. There was also the possibility of an election before the Imperial conference, and in view of those circumstances it might have been better not to have had such a long recess at Easter. Remembering also that this house has accepted the proposal from this corner that some of the more important estimates should go to a committee of this house, a lot of the time of the house might have been saved if the wishes of the house in that respect had been carried out this session, and an opportunity would then have been given to discuss the more important estimates thoroughly. There are a few items in the estimates which my colleagues wish to discuss, but in view of the statements of the Prime Minister and the leader of the opposition, I can assure you, Mr. Speaker, that we shall do our best to expedite the business of the house so that we may prorogue to-morrow.

Mr. MACKENZIE KING: I feel I should say to my hon. friend the leader of the opposition and to my hon. friend the leader of the progressive group, speaking on behalf of the government, that we appreciate the manner in which they have cooperated with us in helping to bring the session to a speedy termination. Throughout there has been disclosed a willingness to cooperate towards that end, and I wish to express appreciation of it.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I wonder what the three single leaders of this house mean in their references to the general agreement between the parties of this house, when there are still a few men left who are free to express their views without being commanded by anybody, and without being directed by a party leader or subject to party discipline.

Mr. QUINN: Did you consult your followers?

Mr. BOURASSA: Oh yes. I am in the happy position that I can speak in the name of the leader of my party, in the name of the whip and of all the inside and outside supporters. I can therefore always express the unanimous opinion of this party to you, Mr. Speaker.

There is a good deal in what the leader of the progressive party (Mr. Gardiner) has said. Everybody knew that there was to be an Imperial conference this fall. Everybody expected that there was to be a general election this year. I therefore agree with the leader of the progressive group that the government might have called parliament at an earlier date. On previous occasions I have pointed out the habit which governments, in this and other countries, but especially in this free and democratic country, have developed of late years of deciding matters altogether according to their own individual convenience without consulting the desire of parliament or even of the country. On the other hand, I agree with the three single gentlemen that the people are expecting at this juncture to have a dissolution of parliament as early as possible, and to have the political situation settled by an expression of public opinion. It has been stated that this parliament should be dissolved now in order that our delegates might go to the Imperial conference with a popular mandate behind them. That is the most serious reason, I think. On the other hand, it should be made clear once for all that the desirability of meeting the representatives of other portions of the British Empire at the Imperial conference should not come before the interests of this country. The first duty of the government is to the parliament of Canada, and the first duty of the parliament of Canada is to the people of Canada. Especially with such a program as we have, I think it would have been useful for the people

to have had a more thorough examination both of the budget and of the estimates, and especially of the budget. But let that pass. I think we should do our best to make it possible to prorogue to-morrow in order that we may have an election in the month of July. At the same time it should be made quite clear that the manner in which the estimates are voted in this house is entirely unsatisfactory, and whatever party is in power after this election, I hope that some means will be taken to prevent hours and days and weeks of discussion of trivial matters, and then the voting of millions of dollars in a few hours under the pretence that we are in a hurry and that this matter or that matter which is entirely outside the necessities of the situation demand an immediate decision. Parliament is primarily constituted to vote subsidies, and the primary duty of members of parliament is to examine every item in the estimates so as to be able to render an account to the people they represent and to the people of Canada at large. I rose, and it is not the first time since I have been in this parliament, to protest against the manner in which the money of the people, because after all it is the people who pay for these expenditures, is disposed of by their representatives who are supposed to be here to look after the public interest.

## SUPPLY

The house in committee of supply, Mr. Johnston in the chair.

### DEPARTMENT OF NATIONAL REVENUE

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act, and temporary buildings and rentals, $8,064,000.

Salaries and travelling expenses of inspectors of ports and of other officers on inspection and in connection with the board of customs, and amount required to create positions, make appointments and pay salaries and expenses of dominion appraisers, investigators of values and claims for drawbacks, $1,327,940.

Miscellaneous—Printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and legal forms, legal expenses, premiums on guarantee bonds and uniforms for customs officers, $650,000.

To provide for expenses of maintenance of revenue cruisers and for preventive service and amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue; also to provide for the expenses of such officers and for the purchase or charter of vessels, and for the purchase or hire of automobiles to be used in the prevention of smuggling or other offences against the revenue laws, $1,812,512.

Amount to be paid to the Department of Justice, to be disbursed by and accounted for to it, for secret preventive service: amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed to be wholly excluded from said act, $60,000.

To provide for the administration of the Business Profits War Tax Act, 1916, and the Income War Tax Act, 1917, and amendments thereof, and authority for this purpose to create positions and make appointments notwithstanding anything contained in the Civil Service Act, and the said positions and staff so appointed are hereby wholly excluded from the operation of the said act, and salary of $8,000 for the Commissioner of Income Tax, $2,200,000.

To hereby provide, notwithstanding anything in the Consolidated Revenue and Audit Act or any other act or law, for payment out of the consolidated revenue fund to A. C. Lacouvee, special customs excise officer grade 2, on the preventive service staff of the Department of National Revenue of an amount at the rate of $500 per annum to commence from July 1, 1930, and to continue thereafter until the death of the annuitant, $500.—Total, $14,114,952.

Mr. BENNETT: What about the information we were to get last evening?

Mr. EULER: I have the information here for my hon. friend. I will hand it to him.

Item agreed to.

Salaries and contingent expenses of the several ports of the Dominion—further amount required for salaries of additional officers employed on account of institution of the eight-hour day, $677,000.

To provide for payments to Messrs. Clarkson, Gordon, Dilworth, Guilfoyle and Nash for services in connection with work arising from reports of the special committee and royal commission and in connection with special tax investigations, $3,000.—Total, $680,000.

Mr. BENNETT: Is that for the eight-hour day?

Mr. EULER: Yes.

Mr. BENNETT: Will the minister explain it?

Mr. EULER: $3,000 of this supplementary item is to provide for payments to Messrs. Clarkson, Gordon, Dilworth, Guilfoyle and Nash; otherwise the vote is for the eight-hour day.

Mr. BENNETT: Is provision made for some overtime also?

Mr. EULER: Yes.

Item agreed to.

MINES AND GEOLOGICAL SURVEY

For explorations, surveys and investigations, wages of explorers, topographers and others, $230,000.

For publication of English and French editions of reports, maps, illustrations, etc., $60,000.

For maintenance of offices and museum, expenses of special exhibitions pertaining to natural resources, purchase of books of reference, miscellaneous assistance and contingencies, $65,000.

For museum equipment, $15,000.

For purchase of specimens, $3,000.—Total, $373,000.

Hon. CHARLES STEWART (Minister of Mines): In Ontario Mr. T. L. Tanton is engaged in completing the one-mile geological mapping of the Michipicoten quadrangle; examination of mineral occurrences in Deroche township; completion of geographical and geological survey of Shebandowan one-mile quadrangle; revision of part of Manitou four mile sheet. Mr. H. M. Bannerman at Woman River is engaged on conclusion of geographical and geological mapping of Horwood one-mile quadrangle. Mr. A. G. Haultain at Sudbury is engaged in a continuation of topographical mapping of portions of four one-mile quadrangles that include the Sudbury nickel irruptive, adjoining railway lines and power developments. Mr. W. H. Collins and Mr. T. C. Phemister, also at Sudbury, are engaged in continuation of geological mapping of Copper Cliff one-mile quadrangle. Mr. H. N. Spence at Rabbit lake, Wanapitei and Michipicoten is engaged on: control surveys for geographical map of Rabbit lake one-mile quadrangle; control surveys for geographical map of east half of Wanapitei one-mile quadrangle; control surveys for geographical map of Gargantua one-mile quadrangle. Mr. T. T. Quirke at Parry Sound is engaged in: completion of geological mapping of one-mile quadrangle between latitudes 45° 15′ and 45° 30′, and longitudes 79° 30′-80° 00′; commencement of similar work in quadrangle adjoining on the west.

Mr. MacLAREN: Does that include the topographical survey?

Mr. STEWART (Edmonton): No, the geological survey.

Sir GEORGE PERLEY: Do peat operations come under this vote?

Mr. STEWART (Edmonton): No.

Sir GEORGE PERLEY: But the main expenses are paid out of this vote, I take it?

Mr. STEWART (Edmonton): No, we have only $1,000 voted to take care of the situation at Alfred this year. The peat operations have ceased for the past two years, as my hon. friend knows. We have not been able to arrive at a settlement with Peat Fuels Limited. The plant was in shape to manufacture peat, but we did not feel warranted in going into a commercial enterprise. The dispute was referred to the exchequer court; judgment was given the other day, but I have not the details.



Mr. BENNETT: What was the result?

Mr. STEWART (Edmonton): I am informed by the assistant deputy that the judgment is practically for the amount of our claim; although I believe it is not given in definite figures.

Sir GEORGE PERLEY: Is the plant idle at this time?

Mr. STEWART (Edmonton): Yes, the plant has not been operating.

Sir GEORGE PERLEY: Has the minister concluded he made a mistake going on with those operations? I think we talked about it in the house several times. He was only experimenting; it was all right to spend a little money, but there should have been no attempt to make it on a commercial basis until he knew how it was going to turn out.

Mr. STEWART (Edmonton): The dispute as to what amount the company should pay the government for the time the plant was being operated by us and being put into shape has deterred the company and the department from operating the plant. However, Mr. Stinson, who seems to be the moving spirit in Peat Fuels Limited, has expressed the desire to go on. I think he intends ultimately to have his plans mature, and to operate this plant in conjunction with others.

Sir GEORGE PERLEY: Does he think it can be operated successfully?

Mr. STEWART (Edmonton): He did not want to pay the government what we thought it should have.

Sir GEORGE PERLEY: Does he think it can be made a commercial success?

Mr. STEWART (Edmonton): He claims it can.

Sir GEORGE PERLEY: Is he running any other plant at this time?

Mr. STEWART (Edmonton): I do not think he is operating any plant. There is one plant in which he appears to be interested, and his statement to me is to the effect that a combination of the two would make a more profitable operation.

Mr. DICKIE: I see before me an item for the purchase of specimens. May I suggest the advisability of securing the true specimen of a free trader before the genus becomes extinct in Canada?

Mr. STEWART (Edmonton): I may explain to my hon. friend that they are not found by geologists.

Mr. ROSS (Kingston): Will the minister tell us how much has been spent altogether on this peat bog?

Mr. STEWART (Edmonton): I am informed by the assistant deputy minister that $300,000 has been spent. I wish my hon. friend to understand that I am speaking from memory. That amount has been spent by the Ontario and federal governments. Since we have operated alone we have spent $150,000. That figure is authentic, but I am speaking from memory about the first amount.

Mr. ROSS (Kingston): Did my hon. friend mention the sum of $150,000?

Mr. STEWART (Edmonton): Yes.

Mr. ROSS (Kingston): That is an acknowledgment of the fact that the minister, despite the advice he received, pursued his course and wasted that amount of money.

Mr. STEWART (Edmonton): Oh, I would not say that. At this time I do not wish to get into an argument with my hon. friend, but to put it shortly I would not say it was wasted. I do not think any sum of money spent on experiments can be said to have been wasted.

Item agreed to.

PENSIONS AND NATIONAL HEALTH

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|---|---|
| Salaries: | |
| Administrative | $1,056,000 |
| Insurance | 40,000 |
| Hospitals and clinics | 1,750,000 |

Mr. ROSS (Kingston): I am not going to devote as much time to this matter as I had intended, but there are two or three things I should like to draw to the attention of the hon. minister. At the present time there are a number of ex-service men in certain hospitals, and these men are being requested by officials of the department to sign over their pensions, whether they be old age pensions or any other kind, and to go to the old people's home at Ste. Anne de Bellevue.

Mr. KING: (Kootenay): No; the men are not requested to give up their pensions. As my hon. friend knows, the man who is entitled to pension for disability is given pay and allowance. Then there is the man who comes under the non-pensionable disability class who is a pensioner, and does not receive pay and allowance. Then we have a class of returned soldiers who come in and receive treatment. Is that the class to which my hon. friend is referring?

Mr. ROSS (Kingston): No. I have before me at least three letters, and the letters contain the information that they have been asked to sign over their pensions and go to the old people's home at Ste. Anne de Bellevue. The three letters contain practically the same information, and state the fact that the same request has been made in each case.

Mr. KING (Kootenay): I know of no such cases. I shall be pleased to look into the matter if my hon. friend will give me the correspondence he has in his possession.

Mr. ROSS (Kingston): It sometimes happens that when these hospital cases make complaints they do not thereafter receive the same treatment.

Mr. KING (Kootenay): What is that?

Mr. ROSS (Kingston): I shall give these names to the minister and ask him to investigate the complaint.

Mr. KING (Kootenay): Very well.

Mr. ROSS (Kingston): There is another matter I wish to bring to the attention of the minister. There has been quite a bit of complaint from Christie Street hospital in Toronto that the men receive the attention of the doctors only when the doctors are free from golf; that they go up for examination and wait in the room there until it pleases the doctor to finish his game of golf. I think someone should bring these complaints to the attention of the minister or the condition will continue. I know the minister is sympathetic, and if he wishes to do something to help the ex-service men he will bring this complaint to the attention of the doctors. Time and attention must be given to these ex-service men, yet it is a very common complaint—it has been made to me many times—that the men wait there for hours while the doctors who are on full or on part time are playing golf. Hours should be set and the doctors should be there when examinations are called.

Mr. ARTHURS: Before the minister answers, I have a case in point along the lines suggested by the hon. member for Kingston. A man was in Christie Street hospital—according to his statement, which I believe to be correct—for twelve days, and he stood in line there hour after hour waiting for a chest examination. Eventually he was turned back

and sent home without having been given any examination, X-ray or otherwise. I would think that was simply on account of the negligence of the doctors, because this man was sent down as a case for examination.

Mr. KING (Kootenay): I do not want to complain, but I think it is rather unfair to bring up these matters now. If hon. members had this knowledge previously surely it should have been submitted to the department. I cannot believe that men are held up at Christie Street hospital while the doctors are out playing golf. My information is that these men go on duty certain hours of the day and are continuously on duty during that period. I shall be very glad to look into the case suggested, but surely information of that kind should be transmitted to the department so that these things can be remedied. I am glad my hon. friend has brought the matter to my attention; I shall be able to advise him in regard to the case of which he speaks.

Mr. ARTHURS: I might tell the minister that this complaint has been submitted to his department but received no attention.

Mr. ROSS (Kingston): I have still another complaint. Perhaps the minister may not be responsible for this one, but at least he can bring it to the attention of the Board of Pension Commissioners. There is a great neglect of orphans. The position is this, that once an orphan reaches the age of sixteen he is immediately struck off the pension list, although there is a regulation which provides that if that orphan is attending college or going to school the pension may be continued. I think before the orphan is struck off the list some investigation should be made. I know children who have practically had to leave school because the mother did not know this regulation was in the act. I think it would be only a small favour to grant that before a child is struck off the list the question should be asked whether or not that child is attending school, and if the child is attending school the pension should be continued. There are cases where the father has been killed and the mother dies and leaves one or two children. I think it is the duty of the Board of Pension Commissioners to look up these cases and see how they are provided for. I have come across three cases where no care was taken; the children were simply struck off and had to be cared for in one case by an aunt and in another by an uncle. I think it is only a very small thing that before these orphans are struck off the list, the department or the Board of Pension Commissioners should look them up, and I submit that suggestion without any further remarks.

[Mr. Arthurs.]

Then there is another and perhaps rather more serious complaint about which I am sure the minister has knowledge. There is a situation at present down at the Plaza building where a certain employee is making use of his position there for political purposes. I have had three cases where applicants for pensions have come here, and as they made their applications and came into the other office, they fell into the hands of this employee who said, "Here, you put your case in the hands of the defeated Liberal candidate, and he will see that you get your pension." I want to say, Mr. Chairman, that this is going on openly to-day, and I am sure the minister knows the person who is doing it. It is well known to employees of the department and if the minister cares to have us do so we will give him the names of the applicants and the particulars of the case referred by this official to his Liberal friends. We are trying to keep out of this thing; we have a committee which deals with that work and which is non-political, but the sooner the minister gets rid of an official of this kind the better for himself and for the country.

Mr. KING (Kootenay): I might say to my hon. friend that certainly it is my desire to have no officials of that kind around the department. Since I have been there, and I think since the department has been established, the desire of the minister and of the officials generally has been to keep the matter out of politics. I know that has been my desire at all times. I shall be glad to have the information to which my hon. friend has referred.

In regard to the children now under the care of the pension board, I shall be glad to bring the remarks of my hon. friend to the attention of the board. There is a provision in the act whereby the pension may be extended beyond the age of sixteen, and in many cases I know that action has been taken. In fact, in some cases the pension has been extended I think beyond the age of twenty, where the child showed exceptional capabilities at school and had a certificate from the superintendent. I shall be glad to bring this matter to the attention of the board. I quite agree with my hon. friend that there is no reason why the commissioners should not make inquiry as to the condition of the children.

Mr. ARTHURS: There are certain departments of the government whose duty it is to exercise after-care with respect to immigrants coming to this country. I would think it far more essential that the Department of Pensions and National Health should exercise after-care with regard to orphans, but so far

there has been nothing done along these lines We do not want to delay these items, but we could cite many glaring instances if it were necessary.

Mr. BENNETT: The hon. member for Kingston has brought up a matter which I regard as being of some importance, and the hon. member will give the minister the name in the case, which it is unnecessary to mention here. I am sure the minister will agree that if a soldier wrote a letter addressed to the Minister of Pensions and National Health and received no reply from him but received a communication from the defeated Liberal candidate in his constituency, there is something wrong.

Mr. KING (Kootenay): Yes I would say there is something wrong if that is the way it happened. I do not know any case of that kind, myself. I try to reply personally to the soldier correspondents I have, but there are times when I am away and cannot do that. An application for pension naturally would be referred to the board for action.

Mr. BENNETT: He applied for a form.

Mr. KING (Kootenay): That letter should have been sent to the pension board.

Item agreed to.

Pensions and National Health—unemployment relief, $250,000.

Mr. GARDINER: Could the minister give me any information as to the amount spent on unemployment relief last year?

Mr. KING (Kootenay): Yes, $517,947.

Mr. MALONEY: Where was that unemployment relief distributed?

Mr. KING (Kootenay): That question was answered the other day and a statement of detailed expenditures will be found in Hansard. I will have it looked up for my hon. friend and send it to him.

Mr. MALONEY: I am quite certain that the money was not expended in Ontario, New Brunswick, Nova Scotia, Saskatchewan or British Columbia.

Item agreed to.

Federal appeal board, $130,000.

Mr. ROSS (Kingston): Certain chest cases are being treated in the Vancouver hospital and they find the weather at certain times of the year to be quite damp. A request has been made for treatment at some point further inland where the weather would be drier. There are two cases of cancer who claim that they have been recommended for treatment by radium but this has been refused by the department.

Mr. KING (Kootenay): Are those at Vancouver?

Mr. ROSS (Kingston): No, one case is in Ontario. They claim that the treatment has been refused although recommended by the doctors. I do not know whether or not the department has adopted this attitude because of the expense. I asked a question of the minister if an order in council had been passed in this connection and he answered, no. I sent that answer to one of these cases and he replied that that had been the reason given for the refusal of treatment.

Mr. KING (Kootenay): I do not know the case to which my hon. friend is referring. If the pensioner were within reach of an institution where such treatment could be given, I would be inclined to say that treatment should be given. Radium has not been installed in our hospitals and I do not think it would be wise for us to undergo that expense. However, I would be prepared to use the facilities available in Toronto, Montreal and the other cities of Canada if it is found that the pensioners require such treatment.

Mr. ROSS (Kingston): The minister will consider these chest cases at Vancouver?

Mr. KING (Kootenay): A change is often made at the request of the man. Sometimes a man will want a transfer from the interior to Vancouver, and such transfers are made from time to time.

Mr. COTNAM: I hold in my hand the report of the work done by the Department of Pensions and National Health, and I would like to know who is primarily responsible for the preparation of this report, and if the minister endorses the statements made therein.

Mr. KING (Kootenty): Yes, I do.

Mr. COTNAM: I should like to take up about two hours of the time of the committee in discussing these health matters, but that not being possible, I would refer the minister to page 83 of the report where certain references are made to radium, as follows:

> The unusual and striking properties of radium as well as its use for the treatment of certain forms of cancer, have resulted in somewhat exaggerated notice having been given it in the daily press. For some years after its romantic discovery great hopes were held that a wonderful therapeutic agent had been given to the medical profession and a trial was made of radium in an immense variety of diseases. During this period enthusiastic workers

announced wonderful results. Subsequently, and in the light of properly controlled clinical trials, the bulk of the results were negatived and at the present time the use of radium is severely limited.

The minister admits that he is primarily responsible for that statement which is at variance with the established medical practice of the present time. The report continues:

It is also better known now that radium is dangerous and should only be used clinically, by specially trained radiologists.

On March 17th I had the honour of introducing a resolution asking for the nationalization of the supply of radium. Unfortunately, only a limited time was available in which to discuss that subject, but we were able to discover that the minister and his government apparently have very little interest in the public health of this country so far as the use of radium is concerned in the treatment of people afflicted with cancer. Shortly after this resolution was introduced, along about the last of April, Doctor Ellice McDonald of the Dupont cancer research institute, University of Pennsylvania, recommended to the American congress practically the identical method of handling radium and cancer cases that had been proposed to this house under the resolution referred to. I would recommend to the minister that he investigate this subject a little more fully. After July 28th next I am sure that we will have a government and a department of health which will give a little more attention to the needs of the public as far as health matters are concerned.

Mr. KING (Kootenay)): There is a difference of opinion among professional men as to the use of radium. It is quite true that radium is being more frequently used, but the limitation of its use is much greater than it was thought to be. If my hon. friend will follow the clinical reports throughout the country he will find that the hopes of those dealing with this matter are not now as high as they were formerly.

Mr. COTNAM: When the Radiological Society of North America met in Toronto last December the claim was made in their report that fifteen per cent of the cancer cases in this country were curable by radium. That would mean that the lives of fifteen per cent of the 8,000 who are dying annually in this country could be saved if radium treatment and proper administration were available. That is the same percentage of expected cures in surgery, and yet the use of radium is in its infancy. The treatment is being carried on by men who are more or less inexperienced and who do not possess an adequate supply. Under those



circumstances more harm than good may arise from the use of radium, and I asked in my resolution that the radium supply be nationalized in order that those afflicted could receive the treatment to which they are entitled.

Mr. KING (Kootenay)): I do not intend to go over the debate that has already taken place this session except to say that I believe the cures being obtained to-day are greater in number. However, I do not think that that is the case in the larger field to which my hon. friend referred.

Mr. MacLAREN: Was the total amount of the vote under item 230 of last year expended?

Mr. KING (Kootenay): We expended $128,653.

Item agreed to.

Grant to Last Post fund, $30,000.

Mr. GARDINER: How much was spent last year?

Mr. KING (Kootenay): $20,000.

Mr. ROSS (Kingston): Does this vote take care of nearly all the cases, or is there any necessity to apply to municipalities for assistance in the burying of veterans?

Mr. KING (Kootenay): As my hon. friend knows, these moneys are expended in the burial of ex-service men who have died in indigent circumstances. The burials are taken care of in the community under the Last Post fund which the government subsidizes each year.

Mr. ARTHURS: In what way are they taken care of? For instance, if a man dies out in the country at some distance from a city, what provision would be made? Would any refund be made?

Mr. KING (Kootenay): In each province there is a branch of the Last Post fund organization which is officered by certain individuals. If a death occurs in the country, application is made to the organization which advises as to its responsibility. If the burial takes place at the expense of the Last Post fund, the department will bear a portion, if not the whole, of the expense, depending on the circumstances.

Mr. GEARY: Is this service being extended? Is the department discovering more cases in which this service is required?

Mr. KING (Kootenay): We find that we are expending more money under this vote each year.

Mr. GEARY: More persons buried?

Mr. KING (Kootenay): Probably. The amount provided in previous years was not sufficient to meet the cost of burial and there is more than $4,000 of accounts outstanding. We have to provide for the erection of markers on graves. Markers are gradually being placed as funds permit, the cost varying according to the requirements of the cemetery in which the burial is made. At the present time the amount for markers to be placed and arrears of burial charges will require about $16,000.

Mr. GEARY: I only hope the fact that this service is in existence is being made known in the outlying districts.

Mr. KING (Kootenay): We depend for that more on the Last Post fund people themselves. Sir Arthur Currie is president and they have a secretary in Montreal. They have pretty active branches throughout the whole of Canada.

Item agreed to.

National Health—the administration of the acts respecting food and drugs, opium and narcotic drugs and proprietory or patent medicines, including the laboratory of hygiene, $163,500.

Mr. BRADY: I would ask the minister to explain lucidly but briefly the work that is being done by his department in regard to the very important matter of narcotic drugs.

Mr. KING (Kootenay): We have an organization known as the narcotic division. It is officered by chief officer Colonel Sharman, with assistant officers, clerks and stenographers under him. He is in charge of the work of that division and he cooperates with the mounted police force throughout Canada. He is also in close contact with the municipal and provincial authorities. We have of late confined our activities more to the larger trafficker under an arrangement with the provincial and municipal authorities, depending upon them to take care of the smaller trafficker. We have, I think, been fairly successful. There have been a good many convictions. In the early days, through the efforts of the provincial and other police, the number of convictions was high. They are as follows:

| Year | Number of convictions |
|---|---|
| 1922-23 | 1,858 |
| 1923-24 | 1,102 |
| 1926-27 | 743 |
| 1927-28 | 490 |
| 1928-29 | 430 |
| 1929-30 | 563 |

As regards our later convictions, we have been fairly successful in securing long term sentences. It was difficult in the earlier stages to get the magistrates to commit these people for long terms. On the 31st March, 1930, there were in the Westminster penitentiary 82 traffickers, many for five years and some for seven years. As stated in the 1929 annual report, whereas in the preceding year the number of cases in which the option of a fine was given largely exceeded those in which there was none, in 1928-29 the situation was reversed, and 240 of the 430 convictions resulted in gaol sentences in that year; one of seven years, eleven of five years, four of four years, eight of three years, nine of two years, and twenty-eight of one year and over. In checking up with the statistical department we found there were duplications in the same case and the number was reduced.

Mr. BRADY: This is a subject of such vital importance to Canada that I would like the minister to understand my purpose is really to bring out exactly what this branch of the department is doing. I find there has been an increase in the proportion of expenditures to prosecutions and convictions by the department in connection with this subject, I find, moreover, there is an increase in travelling expenses, a decrease in revenue, an increase in salaries, a decrease in the number of convictions. The department to-day has a larger staff dealing with this very important subject when, before, according to the minister himself, with a lesser staff it was more efficient than it is now.

Mr. KING (Kootenay): No.

Mr. BRADY: I do not know—and the minister can inform me—whether or not increases are proposed to be made in connection with the staff handling this matter. I honestly believe there is some kind of concealment by the department lumping convictions which are really obtained by the Royal Canadian Mounted Police, with those secured by the department. In other words, a number of these convictions which the minister has mentioned really are the result of the work of the Royal Canadian Mounted Police. I have here figures which reveal an extraordinary story which concerns the national life of Canada. I find that in 1921-22 the total revenue from licensed fees, fines and seizures was $29,832.82, and to January 31, 1929-30, $12,375.77. If those figures are not correct, I wish the minister would correct me.

Mr. KING (Kootenay): I would like to correct my hon. friend. He has given the totals, and I think he has the figures reversed. The figures are for 1925, $12,833.43, and for 1929-30, $14,240.77.

Mr. BRADY: My figures are a little out, but not much.

Mr. KING (Kootenay): Just reversed.

Mr. BRADY: The expenditure charged to the appropriation, not including the Royal Canadian Mounted Police, was in 1921-22, $13,305.83, and to January 31, 1929-30, $31,-235.77. The civil government salaries, permanent and temporary, were $7,292.78 in 1921-22, and to January 31, 1929-30, $14,-808.40. What about travelling expenses? In 1921-22 travelling expenses amounted to $704.31, and to January 31, 1929.30, to $3,748.57. The total national health expenditure in 1921-22 was $21,302.92 and to January 31, 1929-30, $49,792.74.

I come now to the number of federal, provincial and municipal convictions for the judicial years ended September 30. They are as follows:

| | |
|---|---|
| 1922-23 | $1,858 |
| 1923-24 | 1,102 |
| 1924-25 | 997 |
| 1925-26 | 835 |
| 1926-27 | 743 |
| 1927-28 | 490 |
| 1928-29 | 551 |

I cannot get the number of convictions for 1929-30. Now, one of two things is taking place to-day. In the report issued by the department of national health, I find a statement which is not in accordance with the figures which I have given. On page 85 of that report there is this very important paragraph:

> Such improvement, of course, is only relative and is to a great extent occasioned by the increasing number of drug traffickers actually being incarcerated, together with a much greater cooperation with and control of the wholesale and retail druggists.

That is in contradiction of the figures which I have here, which show increased expenditure, a bigger staff, and a smaller number of convictions. In fact, it is difficult to ascertain with any authority just what the number of convictions is. The minister must admit that whoever wrote this report realized the gravity of the situation. There is something wrong in the department. Just three weeks ago I asked a number of questions with the purpose of eliciting information as to the actual situation. It is one that deeply concerns our national life, because opium and narcotic drugs generally are the ruination of many. I have not yet received an answer to my questions. I repeat, I find increased expenditure, a bigger staff, and a smaller number of convictions, and the public is convinced that the opium and narcotic traffic is on the increase. I would like to know from the minister just what the situation is.



Mr. KING (Kootenay): The figures which my hon. friend has been quoting are not proper figures. I regret very much that the report which he asked for has not been tabled. I found it on my desk yesterday, and it was sent to the Secretary of State, and I thought it would have been tabled to-day. The figures in that report do not coincide with the figures which my hon. friend has quoted to-night; his figures are not correct. Of course, our expenditure and costs are increasing. We have been very active in control. If my hon. friend has any knowledge of the traffic or would care to go to Montreal and make inquiries, he would find that it was very difficult for him or anyone else to secure narcotics in the city of Montreal, whereas five or six or seven years ago there were recognized places throughout the city where men could go and get a supply without difficulty. That is confirmed by the fact that at that time you could buy crude opium for $25 an ounce whereas to-day it cannot be procured for $125 an ounce. We know from day to day from the correspondence in the department that the addict is having a more difficult time in securing a supply, and that is due to the activities of the department. It is true that our travelling expenses have increased, from $635.35 in 1925, to $4,881 last year. The small travelling expenses in 1925 did not aid in diminishing the traffic in Vancouver. To-day the officers of the department make not one trip, but two or three or four trips across this continent, and travel to different centres in the United States, getting in touch with those in control of gangs in that country. We also have men in the old country trying to tie up the threads of this traffic, in order that we may have control. I am pleased to say to the committee that of all countries that are trying to control this traffic to-day, Canada is recognized I think as having the best control of all.

Mr. BRADY: Does the minister feel that the staff employed in this very important branch are really doing what they should do?

Mr. KING (Kootenay): Yes, they are doing very well, I think.

Mr. COTNAM: What work is being undertaken by the laboratory of hygiene?

Mr. KING (Kootenay): This department furnishes bacteriological, biological and biochemical data and reports on the qualities of foods, raw or manufactured; disinfectants; water supplies; sanitary conditions of shellfish areas and of shellfish; examination of diseased tissues, and determines the potencies of drugs, curative serums and vaccines.

Item agreed to.

Pollution of inland waters and Public Works Health Act, $26,000.

Mr. SIMPSON: Is this in respect of navigation?

Mr. KING (Kootenay): Our staff see that pure water is supplied at certain places to ships on the lake and river sections.

Item agreed to.

Quarantine—salaries and contingencies of organized districts—public health in other districts—Tracadie and Bentinck island lazarettoes and leprosy generally, $210,000.

Mr. MacLAREN: How many cases are there in Tracadie?

Mr. KING (Kootenay): Eight.

Mr. KAISER: This item calls for $210,000 for national health. A day or two ago I asked the Minister of Agriculture (Mr. Motherwell) whether bovine tuberculosis came within his sphere or within the Department of Public Health, and he answered that both departments dealt with it. Therefore my remarks will apply not only to the national health department but also to the agriculture department. I cannot attempt to go into this question at the length I intended owing to the exigencies of time. I assume the Minister of Health has read the report of the Minister of Agriculture. If so, he read that in the province of Quebec 18 to 19 per cent of the cattle of some areas were found to be affected with bovine tuberculosis, while only 2 per cent of the cattle examined in other parts of the Dominion were found to be suffering from this disease. The records of the last seventeen years show that in no other area on this north American continent has the examination of cattle for bovine tuberculosis shown any approach to 18 or 19 per cent of the cattle diseased, with the exception of a small area in the District of Columbia. If the minister viewed this matter from a national standpoint, surely he would be alarmed at the situation in Quebec. In the year 1928, 23,000 cattle in Quebec have been found to be affected with bovine tuberculosis, and were slaughtered. This phenomenal condition cost the country $750,000 last year. The minister knows there must be some explainable reason for this condition, and he should ask the National Research Council to investigate and report to parliament the causes. It may be due to bad housing of the cattle, if the condition exists at all. I do not believe it does exist, because I am satisfied in my mind that our method of tracing this disease is inferior to that followed by other advanced countries. The work is being done in a slipshod way, but I have not the time to go into that now. Bovine tuberculosis is communicated to man, and has resulted in many of the children of Canada being affected by bone, pulmonary and nodular tuberculosis. This appalling situation ought to arouse the concern and active interest of the Minister of National Health. When we bring his attention to this serious condition of affairs he tells us that the British North America Act has assigned health matters to the various provinces. I want to break down that theory that national health is confined to the jurisdiction of the provinces. Cases and conditions such as these, should surely convince anybody that we ought to have a national health policy.

I wrote the agriculture department of the province of Quebec and asked them whether they had examined any cattle in the province for bovine tuberculosis, and they told me they had been doing it for the last ten years, and in that period had examined 375,000 cattle, and the highest percentage affected was only 3 per cent. Contrast this percentage with the 18 to 19 per cent stated to have been discovered by the federal Department of Agriculture. These contradictory figures naturally make us question whether this department is actually prepared to carry on its work. I say to the Minister of Agriculture that the research council should convince him and convince Canada as to the peculiar causes which obtain and which bring about such a staggering result. The minister should have his department checked up. I have asked how many men they have in the department whose duty it is to go out and examine the cattle, and they have given me five or six names. I have asked the officials connected with the United States government how many experts they used to examine the cattle in that country and I find where in this country we would have nine they would have ninety.

I would like to ask the Minister of Health to permit me to place upon Hansard a statement the preparation of which has caused me considerable effort. I have gained the information from the findings of royal commis-

sions in England and in various other parts of the continent to show the diseases actually transmitted to the children, young and older people from coming in contact with bovine tuberculosis.

The following is the information which I have been able to gather:

The British royal commission investigating the prevalence of bovine infection in England and Wales analyzed 1,139 cases both in children and adults. Their findings are given as follows:

| Variety of Cases | No. of Cases | Under 5 yrs. of age | All ages Per cent |
|---|---|---|---|
| Cervical lymph nodes | 125 | 85.0% of 20 cases | 48.0 |
| Lupus vulgaris | 140 | 66.0% of 50 cases | 51.0 |
| Scrofuloderma | 52 | 58.3% of 12 cases | 38.4 |
| Bone and joint tuberculosis | 514 | 30.2% of 96 cases | 19.2 |
| Genito urinary tuberculosis | 21 | | 19.0 |
| Tubercular meningitis | 12 | | 16.6 |
| Pulmonary tuberculosis | 275 | | 1.1 |

Park and Krumwiede, of the New York State Board of Health, in a series of 1,042 unselected medical and surgical cases, dividing the cases into three age groups, found the incidence of bovine infection as follows:

(a) Children under 5 years of age, 220 cases with 59 bovine strains isolated, or 26.8 per cent.

(b) Children from 5 to 16 years of age, 132 cases with 33 bovine strains recovered, or 25 per cent.

(c) Adults, 16 years and over, 689 cases, with 9 bovine strains recovered, or 1.31 per cent.

A study of 2,516 cases of various forms of tuberculosis reported in the literature up to 1914 compiled by Wang, of the University of Edinburgh, gives perhaps the most comprehensive idea of the amount of bovine tuberculosis in man existing in western Europe, the British Isles and the United States. He found that, dividing the cases into three age groups, the incidence of bovine infection is as follows:—

(a) Children under 5 years of age, 614 cases, with 199 bovine strains isolated, or 32.4 per cent.

(b) Children from 5 to 16 years of age, 591 cases with 171 bovine strains isolated, or 28.9 per cent.

(c) Adults, 16 years and over, 1,311 cases with 38 bovine strains isolated, or 2.9 per cent.

For the past three years a study has been carried out under the auspices of the National Research Council into the incidence of tuberculosis in children in the Toronto area, where regulations require pasteurization of milk.

There is a migration of sick individuals from outlying districts into the hospitals in this area. A study has been made of cases in these hospitals and particularly in the Hospital for Sick Children. In addition to this, a study has been made of tuberculous children living in other towns and villages in Ontario. The following is a summary of the study showing the incidence of bovine infection in children:

| | No. | Human Type | Bovine Type |
|---|---|---|---|
| Bone and joint tuberculosis | 65 | 63 | 2 |
| Tuberculous meningitis | 32 | 31 | 1 |
| Renal Tuberculosis | 26 | 25 | 1 |
| Pulmonary tuberculosis (laryngeal Swabs) | 16 | 15 | 1 |
| Tuberculosis of lymph Nodes (cervical and mesenteric) | 16 | 4 | 12 |
| Tuberculosis of tonsils. | 7 | 5 | 2 |
| Tuberculosis of adenoid (pharyngeal tonsil) | 4 | 3 | 1 |
| Tuberculous pleurisy | 2 | 2 | 0 |

Of 190 strains of tubercle bacilli from 168 children studied, 30 strains recovered from 20 different patients proved to be of bovine origin. All of the children from whom bovine tuberculosis was recovered came from districts where pasteurization of milk is not carried out. In the Toronto district, which is a pasteurization area, not a single case of bovine infection was brought to light. As a result of this investigation, it is concluded that 12 per cent of surgical tuberculosis in children, leading to operation, disablement, and occasionally death, may be controlled by the simple process of pasteurization.

Certain cities in Canada and the United States which through research have taught their people to pasteurize milk have absolutely banished the diseases, conditions and deformities which follow bovine tuberculosis. I think it is the business of this department to educate the people of our country as to how they may escape the conditions caused through this disease. The Department of National Health should become more national in character and should exert greater effort to teach our people how to fight disease and disaster.

Item agreed to.

Immigration medical inspection, $300,000.

Mr. MANION: I would like to ask the minister why we have an immigration medical inspection which is costing the country $300,000. It is as high this year as it was last year, despite the fact that there is no immigration, and the government has taken the attitude that the whole immigration problem is being handed over to the provinces. In view of those facts I think the item should either be cut out or materially cut down.

Mr. MALCOLM: I would like to answer the question directed by my hon. friend from Fort William (Mr. Manion). This matter

was discussed this afternoon with the Acting Minister of Immigration (Mr. Stewart). The acting minister stated that he thought we had better leave this item so that it would come up for discussion when the conference is held with the provinces, as it may be possible that we may agree to carry on certain services for them. The agreement is that we do not need to go on with this service, and the vote could be dropped, but in case we undertake certain services for the provinces the minister stated he would like to have my support.

Mr. MANION: I would like to say, with all due respect to the remarks of the minister, that there is no doubt whatever we will not have an extensive immigration into this country this year. With conditions as they are there is no doubt we will not need anything like the amount of immigration inspection we have had in the past, and taking into account the statement of the Minister of Trade and Commerce I think the item should be cut in two.

Mr. KING (Kootenay): No, it should not be cut at the present time. We required the vote last year, and the work done was of a very excellent and useful character. Of the 160,000 people examined for immigration to Canada from Great Britain and the continent, 10 per cent were rejected and not allowed to come to Canada. We are all familiar with the policy which was introduced in 1927 wherein we decided that rather than try to check people coming into this country who were not physically or mentally fit we would place our own officers in Great Britain and on the continent of Europe to make examinations at certain points. We took that action with a view to overcoming the difficulty which had been experienced by the United States authorities. To correct the difficulty under which they were labouring they established the port at Ellis Island. We in this country were faced with two alternatives in connection with protecting our Canadian people against the entrance of foreigners who were physically or mentally undesirable; we had to establish on an island or elsewhere a place on our shores where we could hold them for the period during which they could be properly examined, and if found unfit they could be sent back, or we could place our own officers on the other side. The United States government, faced with the same problem, requested the British government to give them permission to place United States officials in Great Britain, with the intention of eliminating the trouble they had experienced at Ellis Island. Their request was granted and we have heard of no more trouble. We undertook a plan some years ago in conjunction with the transportation companies. Our officers were sent to Great Britain and to the continent. At first there were difficulties, because the men were not experienced. However, I had the pleasure last year of visiting some of those men and generally speaking I think the service is of an excellent character and of great benefit to the people of Canada. It is true that the immigration will be less, and I have instructed the officers of my department to retire these men as retirements come before the department, and to allow the vacancies to exist on the staff. There will be further retirements in the future, because we do not intend to keep more men than necessary. However, we have an officer at Danzig, and when we withdraw him we will require those people to go to Rotterdam. We have an officer in Paris, and as that city is the clearing house for southern Europe he will be allowed to remain there. Then we have our officers in Great Britain.

Mr. MANION: When are any of them due to be retired?

Mr. KING (Kootenay): None of them is due to be retired, but of their own will some of them will retire. The attraction by way of salary is not very great, and we have had a number of retirements since they went over there. As I have said, instructions have been issued not to fill vacancies.

Sir GEORGE PERLEY: Where is the estimate of the number of immigrants expected this year?

Mr. KING (Kootenay): I do not know that I have that information before me. We receive reports from time to time, but I have not the figures before me for the present year. From day to day there are people going into those offices for examinations in order that they may be allowed to come to this country. That is true in Great Britain.

Sir GEORGE PERLEY: I fancy the Acting Minister of Immigration could give us that information. What is the estimated number of immigrants expected to come to Canada this year?

Mr. STEWART (Edmonton): I doubt if I can give that information, but I shall ask the deputy minister whether he can give us the figures.

Mr. MANION: Mr. Chairman, I have listened with interest to the explanation given by the Minister of Pensions and National Health, and I must say that I have no quarrel with his statement as to the good work being

done by these men. The fact remains, however, that when the work is not there to be done the men do not have to do the work.

Mr. KING (Kootenay): They will be withdrawn.

Mr. MANION: And if they are withdrawn the item does not require to be fully passed. I have given the minister a chance to reduce the vote, and if he does not avail himself of the opportunity I will move that the item be reduced by $100,000.

Mr. KING (Kootenay): And in so doing I think my hon. friend would make a great mistake.

Mr. MANION: I am giving the minister an opportunity to cut down the vote. He admits the item is not fully necessary, because he says when the retirements take place the positions will not be refilled. He has told us that retirements are taking place right along, and no doubt retirements will continue to take place.

Mr. KING (Kootenay): Some of them.

Mr. MANION: As they are not going to be replaced, the full amount of this vote will not be required. I also take the statement of the Minister of Trade and Commerce who admitted the amount probably would not be needed, but suggested that it should be left in in case of emergency. Emergencies can be met when they arise. I wish to move that this item be reduced by $50,000. My hon. friend from Argenteuil (Sir George Perley) has suggested that amount to me, and I am content to accept the suggestion. I would be pleased if the minister would accept the amendment because it would be an indication that he is not simply stubbornly trying to stick to an item which he knows is not necessary.

Mr. KING (Kootenay): I am convinced that my hon. friend does not understand the nature of the situation. There will be some immigration through the port of Rotterdam, and we have an officer at that point. Does my hon. friend suggest that the officer should be withdrawn? There will be people coming through Paris; I wonder if my hon. friend would have the department withdraw the officer at that point. We have had three officers at Glasgow, and there will be many people coming through that port. The same is true at Liverpool and in the central part of England, and until we know what the reduction is in immigration and the places where the reduction will take place, I do not see how we can reduce our officers very much. However, I have told my officers that where vacancies occur they should not be filled until we know what is going to happen in regard to migration to this country. I think the $300,000 last year was practically all expended, and I do not think we can close these agencies. You cannot close the agency at Glasgow or the agency in the north of Scotland; if you do you put the people there to very great inconvenience. I would suggest to my hon. friend that it should be left in the hands of the department to make the reduction. We do not want to spend money unless it is necessary, but we wish to retain this service at a very high state of efficiency, because I believe the people of Canada should be protected and the people of the old country should be protected as well.



Mr. MANION: I have listened to the minister with every desire to be agreeable, and I am not making this proposal in any desire to embarrass the minister or the service, but I still submit that in view of the attitude taken by the government itself; in view of the attitude taken by the Minister of Immigration himself, when he said there was not going to be any immigration so far as the Dominion was concerned but that it was to be left to the provinces, I submit that this item is not necessary. The minister himself has proved that the item is not necessary, because he says that when these men retire he is not going to replace them. I further point out to this committee that as this session has been going on proposal after proposal has been made that this government should assist this country in various ways. For example there was a highways proposal, but the government voted it down and would give nothing for highways. There was an unemployment relief proposal and the Prime Minister made his famous, or infamous, statement that not a five cent piece should be given for the relief of unemployment.

Some hon. MEMBERS: Oh, no.

Mr. MANION: Yes, he did. I know the Prime Minister denied it the other evening, but all his supporters heard it and surely they cannot deny it. He said he would not have a five cent piece given for the relief of unemployment in any province in which there was a Conservative government.

Some hon. MEMBERS: No, no.

Mr. MANION: I stick to my point, because there is no doubt about it whatever.

Some hon. MEMBERS: Read it in Hansard.

Mr. McLEAN (Melfort): That is not what it says in Hansard.

Mr. MANION: I challenge my hon. friend to read what the Prime Minister said, which is on page 1227 of Hansard. I know it so well because I have looked it up and quoted it so often. He said he would not give a five cent piece for the relief of unemployment in any province where there was a Conservative government.

Mr. McLEAN (Melfort): No, he did not; he said he would not give a five cent piece to any Conservative government to use for their own purposes.

Mr. MANION: I will read what he said, in just a few moments.

Mr. POULIOT: Can I explain it?

The CHAIRMAN: Order, pleace. Surely this discussion is not relevant to this item.

Mr. MANION: I cannot agree with you, Mr. Chairman; surely it is relevant.

The CHAIRMAN: My hon. friend knows that a further reference to a debate which took place during this session is out of order.

Mr. MANION: If it is out of order then I cannot quote it, and the point cannot be decided at the moment, but I have the words right here.

Mr. POULIOT: I would just like to save the time of the committee—

Mr. MANION: You will not make headway by this sort of thing, because I do not intend to be intimidated into sitting down. In regard to your asking me if this question is relevant, Mr. Chairman, I submit that it is entirely relevant, because we are discussing the expenditure of the money of this country, the expenditure of the sum of $300,000, which I sincerely submit is not necessary at the present time. I submit that half of that amount would be ample. I submit that if the minister is sincere in his statement that he is not going to replace these men, there will be no necessity for $300,000 in this item. If he wished to play the game fairly he would have moved the reduction himself, and I shall be glad to sit down now to let him move it if he wishes.

Mr. KING (Kootenay): No, I do not wish to; this is the item of the department for these services.

Mr. MANION: Then you can keep your seat; I will finish my remarks first. I was stating that since there was not a five cent piece for unemployment, for highways or for technical education, then surely we should not spend $300,000 for a service which the Acting Minister of Immigration himself says is out of business at the present time. I believe he is right; we do not want immigrants in Canada at this time, with conditions as they are at present; we do not need them. We have trouble enough, with a government such as this, to find work and wages for the people here now.

Now, Mr. Chairman, I think in justice to myself I should be permitted to read this statement of the Prime Minister, because a number of hon. gentlemen have said that the Prime Minister did not make any such statement. I will read it, and the people can judge for themselves. On April 3, 1930, the Prime Minister said the following words which are found at page 1227 of Hansard:

> Mr. Mackenzie King: May I conclude what I have to say? So far as giving money from this federal treasury to provincial governments is concerned, in relation to this question of unemployment as it exists to-day, I might be prepared to go a certain length possibly in meeting one or two of the western provinces that have Progressive premiers at the head of their governments—
>
> Some hon. Members: Oh!
>
> Mr. Mackenzie King: —but I would not give a single cent to any Tory government.
>
> Mr. Bennett: Shame!
>
> Mr. Stevens: Shame!
>
> Mr. Mackenzie King: Do my hon. friends say "shame"?
>
> Mr. Bennett: Yes, shame!
>
> Mr. Mackenzie King: What is there to be ashamed of?
>
> Mr. Stevens: You ought to be ashamed of that.
>
> Mr. Mackenzie King: My hon. friend is getting very indignant. Something evidently has got under his skin. May I repeat what I have said? With respect to giving moneys out of the federal treasury to any Tory government in this country for these alleged unemployment purposes, with these governments situated as they are to-day, with policies diametrically opposed to those of this government, I would not give them a five-cent piece.

Now, Mr. Chairman, if hon. gentlemen opposite can get any satisfaction or any contentment out of that statement they are perfectly welcome to it. I can assure them they are not going to get much satisfaction out of it during the next election.

Mr. McLEAN (Melfort): This was not the quotation given by my hon. friend from memory; that was quite different.

Mr. MANION: I could not quote it word for word, but I quoted the substance and sense of it. However, Mr. Chairman, I have submitted my point and I again offer to the minister or to any of the ministers the privilege of moving the amendment themselves. I show

my sincerity in this way, but if the minister will not agree to move the reduction himself I am going to move a reduction of $50,000 in this vote.

Mr. STEWART (Edmonton): Mr. Chairman, I do not think we will gain very much by discussing the estimates in a heated manner. It is quite true, I may say to my hon. friend, that immigration will be greatly reduced but it will not entirely cease from Great Britain or from the preferred countries. There are always people coming forward, although it is true they are not coming in such large numbers as formerly. I may point out to my hon. friend that many of these agreements are still in existence. We know that the agreements with the British government for child immigration, for the domestic movement and for the nominated movement do not expire until the end of this year. The railway movement expires on May 31; that is for labour, but of course it would not be fair to say that the medical inspection officers have very much to do with that movement. I would think that the number of medical men now employed could be reduced, but I had this difficulty before in the interior estimates and in the immigration estimates, to know just how much we might reduce these items. I will say for the information of the committee—and my hon. friend knows it as a matter of fact—that the money voted for this purpose cannot be spent for any other purpose; that is, it cannot be diverted to some other use. It is voted specifically by the house for this purpose and must be spent in this way or remain unspent. It is not wasted; I mean it cannot be diverted, because we know it is the feeling that very frequently sums are diverted for other purposes when they are voted for specific objects called for in the estimates. It is very difficult to know just how much to reduce the service. I have the same difficulty in trying to estimate by how much the immigration service can be reduced.

Mr. MANION: The hon. minister is very moderate in his attitude, and I know that if he gave his own opinion he would agree that $50,000 could be cut off this estimate without making any change in the service. The only trouble is that the minister who is attempting to put these estimates through the committee has adopted a stubborn attitude and refuses to make a reduction.

Some hon. MEMBERS: Order.

Mr. MANION: I did not mean that disrespectfully, but the minister is adopting an obstinate attitude in the face of the reasons he gave himself that this service could be cut down. If this reduction of $50,000 is made the service could be carried on for ten months. Long before that time has elapsed another minister will have to study out the managing of these offices. I am ready to withdraw my motion for a reduction if the minister will suggest a cut in this service. At the end of ten months if by any strange accident he is still in power—I do not think that will occur—I am sure that he could take $50,000 out of some other estimate.

Mr. STEWART (Edmonton): My hon. friend must realize that that could not be done. It is impossible to divert any estimate to other purposes; that is the object of voting money. There is a strong possibility that this item could be cut down, but I doubt very much if a reduction of $50,000 could be made. I would say that a fairer amount would be $20,000 or $25,000.

Mr. MANION: If the minister would suggest $25,000 it would show good faith on his part.

Mr. STEWART (Edmonton): If any amount is not expended it cannot be diverted to some other purpose; that is contrary to the act.

Mr. MANION: I will not quarrel with that statement, but it is often done; it is worked out in some way and then replaced. Is the minister willing to agree to a $25,000 reduction?

Mr. KING (Kootenay): It is all right for my hon. friend to suggest that because he has no responsibility and knows nothing of this service.

Mr. MANION: I do not think the minister knows much more than I do.

Mr. KING (Kootenay): That is not a fair statement from my hon. friend; I have not treated him that way. These estimates are made up by the department officials and they have been carefully surveyed by the government. It is quite true that immigration may ease off but it will not cease entirely. It will be necessary to retain a staff at the different ports; either that must be done or the service must be abandoned. It is only a mere opinion to say that this amount can be reduced by $50,000 or $25,000.

Mr. SHORT: How much was expended last year?

Mr. KING (Kootenay): The expenditure last year amounted to $287,000. If it will satisfy my hon. friend, I will reduce the estimates by $15,000.

Mr. MANION: There is a difference of $13,000 right there.

Mr. SHORT: And there will not be nearly the immigration this year.

Mr. KING (Kootenay): I would be willing to reduce the estimate comparable with the expenditure for last year.

Mr. ROSS (Kingston): How many medical inspectors were sent overseas following the action taken in 1927?

Mr. KING (Kootenay): Twenty-eight.

Mr. ROSS (Kingston): How many are employed at the present time?

Mr. KING (Kootenay): About twenty.

Mr. ROSS (Kingston): Where are they stationed?

Mr. KING (Kootenay): We have to maintain a service at Halifax, St. John, Quebec, Montreal and throughout Canada. There are officers located at London, Bristol, Birmingham, Glasgow, Inverness, Belfast, Cobh, Paris, Antwerp, Danzig, Hamburg, and Rotterdam.

Mr. ROSS (Kingston): The officer at Liverpool should be able to do the work for Birmingham and other ports nearby. How is the minister able to direct these officers from Canada?

Mr. KING (Kootenay): A superior officer is located at London.

Mr. ROSS (Kingston): In considering these estimates, this department does not look like a department of health, it looks more like the game played by children in which they try to tag a tail on a donkey. Everything is tagged on to this department and it is only a combination and accumulation of tail-tags.

Mr. MANION: And donkeys.

Mr. KING (Kootenay): It is a service department; if my hon. friend delights in using that expression, well and good.

Mr. ROSS (Kingston): The department should be rearranged. Just consider this item which reads:

> The administration of the acts respecting food and drugs, opium and narcotic drugs and proprietary or patent medicines, including the laboratory of hygiene.

Then further down there is another item dealing with quarantine. There should be coordination and cooperation with the medical and health branches in all the provinces. There should be some understanding that in the case of epidemics the minister could step in and prevent the spread of disease from one province to another. In the case of an epidemic in Ontario it is all very well for Quebec to put officers on the border, but that does not prevent the spread of disease in other ways. Perhaps, as the minister is to be transplanted and will not have again the experience he has had to-night—

Mr. KING (Kootenay): It has not been a bad experience so far as I am concerned.

Mr. ROSS (Kingston): —he may not have an opportunity to get the provinces together. There are some very important subjects which should be discussed with the provinces, such as radium, epidemics, and the upkeep of laboratories. Laboratories are conducted in many of the provinces, and it is found to be very expensive to operate those institutions. There is a large field open for the federal department in the coordination of this great subject of health; instead of having all these little donkey tails tagged onto it and calling it a department of health—we have too much respect for the name to call it a real department—it should do some real constructive work. I hope the minister or whoever succeeds him will have something better to offer as a department of national health than all these tail-tags.

Mr. POULIOT: I have just a word to say in answer to my hon. friend from Fort William. I wish to congratulate the hon. member for Kingston city on his very interesting suggestion in regard to the matter.

Mr. ROSS (Kingston): Thank you.

Mr. POULIOT: I have a special liking for the hon. member for Fort William, although I do not present him with a loving cup. I am, however, tired of hearing all the time about that five-cent story.

Mr. MANION: No doubt the hon. member is.

Mr. CHAPLIN: He is not the only one who is sick about it.

Mr. POULIOT: I will tell my hon. friend from Lincoln it is easy to understand why the Prime Minister said that.

Mr. COTNAM: I rise to a point of order.

Mr. POULIOT: If it was relevant for the hon. member for Fort William to say a word about this, I wish to say just one word also.

Mr. COTNAM: The hon. member is not speaking to the item before the chair.

Mr. POULIOT: I rise to a point of order, and it is this: that the hon. member for North Renfrew should have raised his point

of order when the hon. member for Fort William was speaking before. The hon. member was in the house and he was listening to the hon. member for Fort William.

Mr. COTNAM: The hon. member was also in his seat. If he wished to raise a point of order then, he should have done so.

Mr. POULIOT: I thought there was no point of order in that and that is why I did not raise it. I remember very well that shameful disregard of health in refusing a mother's pension in Toronto when the Hon. Dr. Godfrey refused a mother's allowance. He wrote to one of his electors—

The CHAIRMAN: Order.

Mr. POULIOT: I claim fair play.

The CHAIRMAN: Order. My hon. friend complains about the matter raised by the hon. member for Fort William. He will remember that the Chair pointed out that the matter that the hon. member for Fort William was discussing was not relevant to the subject before the Chair and asked him to desist from that part of his discussion. My hon. friend is not making matters better by introducing a new subject of a similar nature. I ask all hon. members to bring their remarks to bear more closely upon the item under consideration. Mr. Manion moves that item 227 be reduced by the sum of $50,000.

Amendment negatived.

Item agreed to.

Venereal diseases, $100,000.

Mr. COTNAM: I have a great deal of sympathy for the Minister of National Health. I do not think there is any medical man in the house, or for that matter, in the country, who believes the Department of National Health has been functioning as such a department should function in Canada to-day. The greatest asset we have, after all, is the health and happiness of our people, and surely there should be some arrangement whereby the federal Department of Health, could, as has been said so ably by the hon. member for Kingston city, cooperate with the provincial health departments and help to coordinate the work. Unfortunately, disease does not stop at provincial boundaries and, moreover, it is not confined by the limitations of the British North America Act. If, under the provisions of the British North America Act, the department is not able to cooperate with the provincial health authorities, the Department of National Health has no reason for existing. I would suggest that the minister call a conference of the medical departments of the different provinces and see whether some working arrangement cannot be devised whereby his department can cooperate fully with the provincial health departments.

Mr. KING (Kootenay): I am not going to take up any time in answering my hon. friend in regard to the conduct of the department. The work of the department is well known in Canada. My hon. friend, who seems to be so well informed must know that we have a Dominion Council of Health made up of the provincial boards of health or authorities representing the provincial governments and other health bodies throughout Canada. That council meets twice a year and brings about the coordination of which my hon. friend has spoken. I do not wish to do more than merely make that statement and leave the matter as it is, because I think the desire of the committee is to get on with the estimates.

Mr. QUINN: Does this item provide for salaries and maintenance of quarantine offices in the different ports?

Mr. KING (Kootenay): That is under item 236, quarantine, which has been passed.

Mr. QUINN: Who is the port physician at Halifax?

Mr. KING (Kootenay): Doctor Chisholm is acting. Doctor Graham resigned recently.

Mr. QUINN: I had a question on the order paper only three weeks ago, and at that time Doctor Graham was still in the employ of the department. Doctor Chisholm had not then been appointed. Was Doctor Graham asked for his resignation?

Mr. KING (Kootenay): No, I think he resigned on his own initiative.

Mr. QUINN: Doctor Chisholm was formerly one of the roster doctors on the other side?

Mr. KING (Kootenay): Yes.

Item agreed to.

Pensions and national health — salaries, $210,185; contingencies, $69,000.

Mr. ESLING: What portion of this amount for contingencies goes for travelling expenses for the minister? While the minister is looking it up, I would like to know what portion of his travelling expenses goes towards taking Liberal candidates and his Liberal supporters around the country in a private car.

Mr. KING (Kootenay): No portion is used for that purpose.

Mr. ESLING: Then it seems to me the minister must burn up an awful lot of gas. I find that for the past five years his travelling expenses amount to $20,950; we will call it $21,000. Considering that we are in session here for six months of the year, he can travel only the other six months, which brings it to about $4,000 for travelling expenses every six months. I notice also in the Auditor General's report a pretty good-sized automobile bill for the minister. I can find his automobile repairs for only three years, and the repairs during that period amounted to $2,317. In order to drive the car, the public is paying $8,438. In other words, in addition to his salary and his indemnity, the minister has charged up to travelling expenses, chauffeur and automobile repairs in the past five years the huge sum of $31,000, and I want to ask the minister now in all candour, does he think he is worth it?

Mr. KING (Kootenay): I do.

Mr. ESLING: This may be very humorous, but there is another side to it. The minister represents East Kootenay, where to-day 350 coal miners are out of work and the rest are working only half time. The city is feeding their children, and while these men are out of work the minister spends $31,000 in five years—and Russian coal is coming into the country too. Add to that $31,000 in five years, the minister's salary and indemnity of $70,000 and you get the sum of $100,000. Is it any wonder that the minister goes through my part of the country and calls for help! He says: I need help from British Columbia. He is the only Liberal member in this house from British Columbia and the main theme of all his speeches during his recent tour of that province was: Send me help. I venture to say Mr. Chairman, that there is nobody on this side of the house or on that who will dispute the minister's need for help.

Item agreed to.

Quarantine—salaries and contingencies of organized districts; public health in other districts; Tracadie and Bentinck Island lazarettoes and leprosy generally — further amount required, $60,000.

Mr. ROSS (Kingston): Would the minister explain this item?

Mr. KING (Kootenay): This amount is required for the construction of a boat for our quarantine service at Victoria and for repairs to a boat at St. John harbour.

Item agreed to.

European war—further amount required, $8,000,000.

Mr. ROSS (Kingston): What is this required for?

Mr. KING (Kootenay): This vote is an increase over last year's on account of the legislation that was brought down this year. It is largely made up of an item of $6,500,000 for the restoration of pensions of those who commuted them some years ago. The balance is required on account of other pension amendments.

Mr. ROSS (Kingston): It is all covered by the act?

Mr. KING (Kootenay): Yes.

Mr. ARTHURS: Is that $6,500,000 for the restoration of pensions for this year.

Mr. KING (Kootenay): It is to bring it up to 1931. There will be back pension and the amount necessary to carry them on through the year when they are reinstated.

Mr. ARTHURS: Then the minister admits that that amount was stolen during past years.

Mr. KING (Kootenay): I do not admit anything of the kind. I think it was unfair that the commutation should have been made some years ago.

Item agreed to.

Relief of pensioners (governor general's warrant of February 20, 1930), $300,000.

Mr. KING (Kootenay): This is to cover the over-expenditure on relief. There is an item each year. It is very hard to estimate the amount.

Mr. MANION: Is this vote for unemployment relief?

Mr. KING (Kootenay): No, for relief to pensioners.

Mr. MANION: I thought by mistake something had been given to relieve unemployment.

Mr. KING (Kootenay): Undoubtedly some of the men were out of employment.

Mr. MANION: Yes, a lot of them.

Mr. ROSS (Kingston): What is this?

Mr. KING (Kootenay): This is a relief fund for pensioners who are in distress during the winter months or at other seasons of the year.

Mr. ARTHURS: How much has been distributed in the last two years?

Mr. KING (Kootenay): Last year we distributed $378,000; this year, $517,000.

Mr. PECK: What is the item for Bill 19?

Mr. KING (Kootenay): Vote 451, war veterans' allowances, $1,000,000.

Mr. MANION: The increase of this relief from $300,000 last year to nearly $600,000 this year is one of the evidences, I suppose, of the prosperity which the ministers talk so much about throughout the country?

Mr. KING (Kootenay): No.

Mr. ROSS (Kingston): The total amount of money spent on this relief, is $550,000. Is this partly the reason why Bill 19 was put through?

Mr. KING (Kootenay): We hope Bill 19 will relieve many cases of distress during the winter months. These men will have a steady allowance throughout the year if they are unemployable and have reached the age of sixty. At present they accept odd jobs during the summer months and come into the cities during the winter. Some provision has to be made for this item.

Mr. ROSS (Kingston): This $550,000 is not paid to unemployable pensioners. These men are actually out of work, no-job men.

Mr. KING (Kootenay) Some of them.

Mr. ROSS (Kingston): Then there is a large amount of unemployment.

Mr. FRASER: The amount paid on unemployment last year was in the neighbourhood of $800,000.

Mr. KING (Kootenay): No, $550,000 last year.

Mr. ARTHURS: These expenditures are distributed largely in the cities?

Mr. KING (Kootenay): Yes.

Mr. ARTHURS: A poor fellow outside in the less populated sections has no means of knowing that he can get any relief.

Mr. KING (Kootenay): Yes, through the legion they know very well. Fortunately in the smaller communities you do not find the distress that prevails in the larger centres.

Mr. ARTHURS: Quite true; but a man in the country might be in equally as distressed circumstances as another man in a large centre without knowing that any relief was available.

Mr. FRASER: Through what agency does the minister distribute this money?

[Mr. Arthurs.]

Mr. KING (Kootenay): The departmental officers, but in some cases we have asked the mayor to administer the funds. In the larger centres we have our own officers and investigators.

Mr. FRASER: How does the minister think unemployed people out in the country would know of this fund?

Mr. KING (Kootenay): It is well known among the legion officers and the soldiers throughout Canada.

Mr. FRASER: Does the minister distribute the money through the officers of the legion?

Mr. KING (Kootenay): No, but they know of the fund.

Mr. ARTHURS: No, they do not.

Mr. FRASER: I do not question that the minister believes what he is saying, but I want him to understand that this is a new thing to me. I have a branch of the legion in my own town and I will guarantee they never heard of it. At what points were these amounts distributed?

Mr. KING (Kootenay): I can give the information by provinces: Alberta, $11,333; British Columbia, $71,759—

Mr. FRASER: At what particular points in the province was this money distributed?

Mr. KING (Kootenay): I have not the information at hand but it could be ascertained in the department.

Mr. ROSS (Kingston): The minister should know, I think, that this fund is paid out through his district officers in the large cities. It is a large amount of money, but only a few cities get the benefit.

Mr. FRASER: If that is the case I protest. The whole proceeding is most unfair. Why is not the unemployed man in the outside districts as much entitled to relief as his unfortunate brother in the large centres?

Mr. KING (Kootenay): I do not think my hon. friend understands the situation. This relief is paid to pensioners, and you will find that in the winter months the main body of that type of men are in the large centres, and that is necessarily where most of the relief is paid. We have communications from time to time from small country districts advising us of some person or persons who require relief. An officer is sent out, the cases are investigated, and relief given. We do not

advertise that we have millions of dollars to give away. Usually when people are in distress they make their wants known, and if possible they are relieved under this provision.

Mr. SHORT: It is not generally known, even in rural districts, where the legion have their organization. Am I to understand from the minister now that there is a fund of $300,000 available for cases of distress if application is made through the legion to his department.

Mr. KING (Kootenay): That is so.

Mr. SHORT: It may be known in the cities, but it is not known in the small places. I do not think the legion knows of it in the small towns of Nova Scotia.

Mr. FRASER: I do not think the manner in which this fund is distributed is fair to a province like British Columbia. The minister is just as well aware as I am that not ten per cent of British Columbia is organized into municipalities. Consequently in the unorganized districts there is no means by which men can get in contact with this relief.

Mr. COTNAM: Who decides whether a case is deserving or not, the department officers or the legion in the locality?

Mr. KING (Kootenay): Our investigators and executive officers in the vicinity.

Mr. ARTHURS: I again protest that the majority of cases in the outlying districts of Ontario or any other province have absolutely no knowledge that such a fund exists. Their sole dependence in the past has been upon the poppy fund, and in the majority of cases these men who deserve relief under this fund are compelled to go to the municipality. In many instances they have no knowledge that such relief as described in this vote exists.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

Department of Trade and Commerce—British and foreign news service, $32,000.

Mr. SHORT: I ask for an explanation of this service. Does it refer to the advertising item which we used to have?

Hon. JAMES MALCOLM (Minister of Trade and Commerce): No. This is for the British and foreign news service, and it has been carried on for some years.

Item agreed to.

Dominion Bureau of Statistics, $235,000.

Mr. FRASER: Why the large increase?

Mr. MALCOLM: On account of the preparation for next year's census.

Item agreed to.

National Research Council, $500,000.

Mr. SHORT: What is the explanation of the increase of $100,000?

Mr. MALCOLM: This increase is because of preparation being made for the use of the new building on its completion. There are more technical men being engaged to take over the new departments, and work is increasing in the laboratory. Rather than have an extra large increase in one year we are increasing it slightly this year.

Item agreed to.

Canadian exhibit at the British Empire trade exhibition, Buenos Aires, $150,000.

Mr. FRASER: What is this for?

Mr. MALCOLM: This is for Canada's exhibit at the British Empire exhibition held at Buenos Aires. We are cooperating with the British Empire in the erection of a pavilion in that city. A fair is being held there in 1930 and 1931. This is a new vote, and it provides for the construction of a building costing $70,000, for the removal of exhibition material from London to Buenos Aires, freight thereon, travelling expenses and maintenance of the staff while the exhibition is in progress. The rental of the space will cost $30,000. As all other parts of the empire are joining with the mother country in displaying British goods to the people of Latin America we feel that Canada's part will be profitable and useful to Dominion trade.

Mr. FRASER: I was wondering if some of us who might be out of employment after the election might get a job at this place.

Mr. MALCOLM: If I had as much faith as my hon. friend I should conclude that he would have the giving of the job.

Item agreed to.

Exhibitions and fairs, including the sum of $143,870 required for the Department of Immigration and Colonization, $367,130.

Sir GEORGE PERLEY: Why is the Department of Trade and Commerce including in this item an item for the Department of Immigration and Colonization?

Mr. MALCOLM: I would like to speak on this item, because it involves the question relative to medical services brought up by

my hon. friend. In the Department of Trade and Commerce we maintain a service which costs $119,000. This service covers a warehouse at St. Catharines, of which Mr. Corkery is in charge. He collects the various fruit exhibits and puts them up in glass jars for the various Canadian exhibitions. We maintain offices at London, England, with a staff of four people. In Winnipeg there is a staff engaged in the collection of grains, seeds and other cereal products. In the collection of exhibits we spend about $50,000. During the past we have exhibited at state fairs in the United States of America. These samples have also been exhibited in Great Britain; I might say that the cost in connection with all these exhibitions has amounted to about $54,000. Exhibits have also been placed in all the windows of the immigration offices on the continent, in Europe and in the United States. The major portion of the vote is chargeable to the Department of Immigration and Colonization, because that department formerly collected the samples. However, when the exhibition branch was taken over by the Department of Trade and Commerce this work was transferred and remained chargeable to immigration. I discussed the matter with my colleague, the acting minister (Mr. Stewart, Edmonton), to decide if it was advisable for us to continue to collect these samples, for use at state fairs and on the continent. We concluded that these exhibitions had a double value. They have a general advertising value to Canada. They advertise the Dominion, whether a man be interested in Canada from a tourist standpoint, from the standpoint of an investor or as an immigrant. It is quite possible that when the conference is held with the provinces as to the taking over of immigration the existing service may be continued. It may be that the acting minister may offer to continue to do this work for the provinces. It would be difficult for the general exhibition branch of the Department of Trade and Commerce to get along without this service, whether it is voted for the Department of Immigration and Colonization or for the Department of Trade and Commerce. If there is a saving to be effected as a result of a conference between the minister and the provincial authorities I can assure the committee that I shall be glad to reduce the vote if the result of the conference warrants such action.

Sir GEORGE PERLEY: At what places on the continent do you have these exhibits?

[Mr. Malcolm.]

Mr. MALCOLM: There are many of them in England. There are exhibits at Southampton, Liverpool, Bristol, London, Glasgow, Inverness and Edinburgh.

Sir GEORGE PERLEY: Are there some on the continent?

Mr. MALCOLM: Yes, I think there is one at Paris. I am sorry to inform the hon. gentleman that I have not a complete list of immigration offices before me.

Mr. SHORT: I should like to revert to item 341 and have the minister give some little explanation as to how this $250,000 for advertising in Canada and abroad is spent.

Mr. MALCOLM: I can tell my hon. friend exactly how it is spent. It is practically all spent on four advertisements, two advertisements a year in the daily press of Canada.

Mr. SHORT: Advertising our natural products?

Mr. MALCOLM: No, advertising the opportunity for foreign trade. There are two advertisements a year in the weekly press of Canada. We also advertise in a great many of the trade magazines pointing out the inquiries for goods which are of interest to that particular trade and which come each month from our commercial intelligence department. The whole purpose of this expenditure is to awaken interest in the opportunity Canada has for the sale largely of manufactured goods in foreign countries and to bring to the attention of industrialists in as clear a way as we can the inquiries made daily of our trade commissioners in the thirty-five offices we have abroad. This is really to supplement the work of our trade commissioners in getting the information they acquire to the Canadian manufacturer or exporters.

Sir GEORGE PERLEY: Did the minister say this advertisement is put in every daily newspaper in Canada?

Mr. MALCOLM: Yes, without exception.

Mr. LADNER: I rose a moment ago to ask the minister a question in respect to item 316. This provides for an expenditure of $367,000 in connection with exhibitions and fairs. Has the minister any tangible evidence of the result which these exhibitions bring to the country?

Mr. MALCOLM: I do not think there is any doubt about it. If I wanted to weary the committee I could read a great many letters which have been received by the department, but I shall not do so.

Mr. LADNER: I really wanted the frank judgment of the minister, from a business point of view.

Mr. MALCOLM: Yes, I would say to my hon. friend that although I had nothing whatever to do with it, Canada never received any better advertising value than at the Wembley exhibition. People from all over the world were astonished at the progress Canada had made in manufacturing and in other lines as shown at Wembley. I think in Mr. Turcotte, the head of our exhibition branch, we have a man of whom we should be proud. It seems that during the last couple of decades Canada always has been in the forefront in the quality of her exhibitions. Just at the opening of the Antwerp fair a week or so ago Canada was the only country which had its pavilion open on time. A good deal of press comment followed all over Europe to the effect that Canada's exhibition commissioner had been the only one to have his exhibit open on time. I do believe that the display of our products at international affairs has been of great benefit to the Dominion, and I think the money is wisely spent.

Mr. MANION: In regard to that publicity and advertising item, during what months are these advertisements published across Canada? Is there a special time of the year?

Mr. MALCOLM: Usually we run one advertisement in the early part of the year and one in the fall.

Mr. MANION: Has the early advertisement been run this year?

Mr. MALCOLM: Yes, there was one I think in January.

Mr. MANION: So that in all probability it will not be necessary to run one during the election?

Mr. MALCOLM: No, I do not think there will be another one this year.

Mr. HARRIS: I should like to direct the minister's attention to item 310, which provides for the expenditure of $1,625 in connection with the International Customs Tariff Bureau. I should like to know just what that has reference to, and also once more I should like to bring to the attention of the minister a matter which I have brought to his attention in previous years. It is this: What are our trade commissioners doing towards stopping the practice of continental manufacturers of sending their goods to England and then having the same goods find their way to Canada under the British preference? That is the first part of the question. The second part is this: With goods of continental origin finding their way to the British market, and with the same commodity manufactured in Great Britain and shipped to this country under the British preference, the minister knows that this leads to bootlegging in these goods. In my judgment there is a good deal of bootlegging in merchandise which originates on the continent and which finds its way to Canada under the British preference. In the event that it does not find its way here it supplies the home market in Great Britain, which in turn supplies this market with goods of British manufacture. I brought this matter to the attention of the minister last year, and I bring it to his attention again this year and ask what is being done.

Mr. MALCOLM: In reply to my hon. friend I would say that the point of course is important in trade, but it is hardly relevant to this item. The trade commissioners of Canada are not charged with any duties such as he describes. Their job is to sell Canadian products. He is complaining about a condition which exists whereby continental manufacturers take advantage of the British preference by shipping via Great Britain. I think my hon. friend knows that we have a clause in our customs tariff which compels the man shipping goods under the British preference to take an affidavit to the effect that the goods are 50 per cent British content to enjoy the preference. That is purely a matter for the customs department.

My hon. friend wished to know something about the contributions we make to the International Customs Tariff Bureau. The International Customs Tariff Bureau at Brussels was founded as the result of a convention, signed at Brussels on July 5, 1890, by thirty-nine countries, including Canada. The purpose of the bureau is to translate and distribute, to the various states supporting it, the customs tariffs of the world, with amendments thereto which may be enacted from time to time. To maintain this bureau countries are classified according to their respective volumes of trade and assessed accordingly. At the outset Canada was placed in the third class, for which the contribution was $600. In 1929 Canada, on account of her increased trade, was advanced to the first class, and the Canadian contribution was raised to about $1,319. This amount was increased by 10 per cent, to provide for the superannuation of the few bureau employees. This item is to provide for the translation of the customs tariffs of the world, so that we may have them in our own language.

Mr. COOTE: I should like to ask the minister a question with regard to item 303. Last year a bill introduced by the Minister of Agriculture provided for the erection of a seed warehouse in Saskatchewan, and at that time the minister said that whenever the seed growers in the other two prairie provinces were ready for it he would be glad to do the same thing for them. The seed growers in Alberta say they could not afford to pay the interest charges on a building similar to the one constructed in Saskatchewan, and they have asked that some additional storage facilities be provided at the government elevator at Edmonton, which could be done at much less cost. I just wanted to ask the minister if the matter has been decided upon by him, whether his department is in a position to take this action, and whether there is money available for it in the estimates.

Mr. MALCOLM: In reply to my hon. friend, although this really is a matter more for the Department of Agriculture, I may say that representations were made to the Department of Trade and Commerce along the lines suggested by my hon. friend, to the effect that we might put an annex on the Edmonton elevator to clean seed grain. The officers of my department felt that attaching a seed grain warehouse to a commercial elevator was not the best way to get good seed. It is difficult for a commercial house to clean seed grain properly. My officers recommended strongly that it would be more advisable to erect a separate building and that the Department of Agriculture should look after the work. I see no reason why the general handling charges should be loaded with the cleaning of grain for seed purposes. I advised my colleague, the Minister of Agriculture that we did not feel like going on with the work; we thought that it should come under his department. I would assure my hon. friend that the superintendent of the elevator at Edmonton is prepared to go ahead to the best of his ability with the cleaning of grain, but he cannot guarantee as clean seed as would be produced by a separate plant.

Mr. COOTE: That is being done now?

Mr. MALCOLM: It is being done now and he will continue to do it to the best of his ability.

Mr. COOTE: That will continue until some other arrangement can be made?

Mr. MALCOLM: Yes.

Mr. GARLAND (Bow River): Has the minister a trade agent in Russia?

Mr. MALCOLM: No.

[Mr. Malcolm.]

Mr. GARLAND (Bow River): Has the minister any source of accurate information regarding conditions existing in that country?

Mr. MALCOLM: I think it is well known by members of the committee that accuracy of information regarding Russia is rather difficult to obtain. I presume my hon. friend is interested in the wheat grown in that country. We ship to Mediterranean ports—16 vessels have left Canada said to be for southern Russia—and at the same time wheat is being shipped from northern Russia. I am told that Russia is selling coal to Cardiff, while Cardiff coal is going into northern Russia. My hon. friend can take the press reports for what they are worth.

Mr. MANION: And they are selling coal to Canada.

Mr. GARLAND (Bow River): I hesitate to detain the committee at this stage, but I feel that I must say a word or two upon this question. There is nothing more important to the Dominion of Canada than the wheat production of other countries. Wheat is the one basic wealth which we produce annually out of the soil of Canada; it is one of the most important factors in the financial and industrial stability of this country. I am not easily alarmed in matters of this kind, but I must say that I am alarmed at the reports in this connection. For fifteen years I have been hearing of the threat of Russia to the wheat markets of the world; it has been held up before me as the great bugbear or ghost to be feared, but it has never materialized.

Mr. MALCOLM: Would my hon. friend permit the committee to rise and report progress and ask leave to sit again in order that the Prime Minister may make a motion to continue the sitting of the house?

Mr. GARLAND (Bow River): This discussion will continue?

Mr. MALCOLM: Yes. I move that the committee rise, report progress, and ask leave to sit again this day.

Progress reported.

## SUPPLY—CONCURRENCE

The house proceeded to consider certain resolutions reported from committee of supply this day.

Resolutions reported, read the second time and concurred in.

## BUSINESS OF THE HOUSE

SITTING THIS DAY AFTER ELEVEN O'CLOCK

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to move that this house shall not be adjourned at eleven o'clock to-day. I have an understanding with the hon. leader of the opposition and the hon. leader of the Progressive group that it will be agreeable to them to sit until one o'clock. I understand also that that will be agreeable to other members of the house.

Mr. SPEAKER: Mr. Mackenzie King moves that when this house adjourns at eleven o'clock it shall sit again this day.

Mr. BENNETT: That is not the correct motion; the hour should be changed from eleven o'clock to one o'clock to-morrow.

Mr. SPEAKER: I will repeat the motion as amended: It is moved by Mr. Mackenzie King:

That this house shall not be adjourned at eleven o'clock to-day but at one o'clock a.m. to-morrow.

Motion agreed to.

## SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house in committee of supply, Mr. Johnston in the chair.

Mr. GARLAND (Bow River): When the committee rose a moment ago I was stating that up to this time I had not been unduly alarmed about this situation. However, I find information coming forward, the authenticity of which I cannot vouch for, and I find myself in the same position as the minister. There appears to be a strong belief that in a great section of Russia there has been instituted what might be called a revolution in agricultural operations. I am informed that five years ago some three hundred mechanics were sent from that country to Cleveland and other cities in the United States to study the construction and repairing of tractors. These men returned to Russia and established schools for education in the use of tractors for farming purposes. I am informed that at the beginning of this year there were some 2,000,000 households—that is a unit used as the standard in agricultural matters—in Russia who were under this collectivized system of agriculture. I am informed that on April 1 of this year there were some 14,000,000 households in the scheme, and from 54 to 64 per cent of the tilled land is now alleged to be collectivized. Collectivizing means the organizing of the country into artels, under the guidance of a peasant committee. Upon that committee is a representative of the Soviet government, a farming expert and an expert accountant. All this appears to have commenced about eighteen months or two years ago with the first experiment being held on a farm which was called the giant farm, under the management of a man named Yourkin. This farm was operated so successfully that the Soviet government became interested and attempted a compulsory organization of the peasants. That was subsequently abandoned as not being the best type of organization, it being found that men who were forced to join were guilty of sabotage or else refused to work. The result was that this scheme was put upon a voluntary basis, and I am informed that the change met with instantaneous success. I have obtained most of my information from an article which appeared in an English paper known as The New Leader. The article in part reads as follows:

With anything like fair weather, it seems quite possible that the Russian grain crop this coming year will go over the top with a surplus to shake the markets of the world.

This has not been without effort and considerable cost. Yesterday, under my window, marched to the sound of a band the ranks of 1,500 Moscow students, mobilized out to organize farm collectives. The upper two classes of all the agricultural colleges in the land, and the upper class of all agricultural high schools, are being hurled in this first week of March from their desks into the rural districts. Some months ago they were preceded by 25,000 factory workers, the most skilled and the best organizers. The young communist league of the ward of Moscow, where I live, has adopted a township to the north of Moscow, and has sent out hundreds of its chosen youth to organize work in the collectives there.

For the seed collection is only the first sign of success. Now the program of work must be organized, fitting the backward individualist peasants into modern grain production on the factory system. Methods of accounting must, be set up, so that each peasant knows his tasks and his share of the harvest, and sees that he is treated equally with his neighbours. Every piece of farm machinery of every kind in Russia must be got out of warehouse to the soil in the place where it is most needed.

This gigantic job is being done in the first few weeks of March for more than half the entire peasantry of Russia.

The figures at the end of that month were that 14,000,000 households were enrolled in this single collectivized area and divided in turn into small subdistricts called artels. The organization is one of the most amazingly comprehensive and intelligently conducted I have ever heard of, and far exceeds my wildest dreams of a cooperative commonwealth. I say to the minister that if this

thing is only one-tenth successful, it will mean that Russia will again be a tremendous factor in the markets of the world. We cannot prevent that, but we should know about it from authoritative sources which cannot be questioned. As I said at the outset, we are going entirely upon articles, some emanating from Russia, others from visitors to Russia and others from possibly guesswork, but I have two or three of these articles under my hand, and they all tell the same story; they all talk of this great scheme. For example, the Labour News, printed in Washington, D.C., says at page 6 of the issue of Saturday, April 5:

The harvest this year in Russia will be the most historic harvest that ever occurred since the prehistoric harvest when man first learned to cast seed on the soil for his food. The harvest this year ushers in a new form of farming, which differs so completely from the old that it must either fail in famine, or begin the farm revolution the world over. To-day the latter alternative seems likely.

The 30 days from January 20 to February 20 of this winter saw a revolution in Russia compared with which the ten days that shook the world was a mere bagatelle. In those 30 days 40 per cent of all Russia's peasants joined collectives, throwing land, horses and implements, into a common pot and planning together for ploughing and sowing. On January 20 only 17 per cent had joined the collectives; by February 20 it was 59 per cent. On January 20, only 55 per cent of the horses were yet collectives; on February 20 it was 44 per cent.

I am informed there are ten or eleven million work animals in the collectivized area, and out of that number more than 8,000,000 are now pooled in the common pot that is spoken of in this article. The article continues:

But how will these collective farms plough? What kind of a harvest will they get? Can fourteen million individual households be merged in one month into a factory form of farming—mass production of grain? That is the number that have joined collectives. The first answer came on March 1, when it was shown that collectives had brought into their central barn the staggering total of 130 million bushels of grain, which they were busy exchanging for cleaned and selected seed of the Department of Agriculture. This fact made it possible for the state to release nearly an equal amount from its reserves to give seed to regions where last year the crop failed.

This is, however, only the beginning. Fourteen million households must be listed on a working schedule, assigned their jobs each day under elected field managers. All implements in warehouses must be rushed to the fields; all local implements must be repaired. To help in this fight 25,000 of the skilled and organized factory workers have been hurled into the villages for the past three months, assisted by 100,000 disciplined red army men. They are followed now by a mobilization of 90 per cent of the farm experts of the nation.

[Mr. E. J. Garland.]

It is most interesting to note that all these stories carry the same basic facts, namely, that the agricultural scientists of Russia are being mobilized and thrown into this tremendous scheme. This man Yourkin, of whom I spoke earlier, was a man who studied this idea on the Campbell farm. Campbell who has the greatest single farm in the United States, at that time the greatest single farm in the world, was taken to Russia and he there gave them information regarding the operation of a gigantic farm of this kind. Some two years ago Yourkin took over the operation of the first experiment of this kind. The description of that is as follows:

Last year Yourkin was director of the Gigant, the biggest farm in the world, three times as big as Campbell's. This year he has a job which completely dwarfs last year's: he is managing the farming of half Russia. Over 200,000,000 acres of farmland in Russia have come during the past winter under collectivization. This is the farm that Yourkin manages!

The total wheat acreage in western Russia at the present time is 24,000,000 acres. In this we have a suggestion of collective operation of 200,000,000 acres. In no manner does this mean that acreage will be sown to wheat, but I am informed that the most intelligently organized areas are in the best wheat districts of Russia. I do not want to suggest to the committee that we should become unduly alarmed about this situation, although frankly, I am alarmed about it; but I say that we should be in a position to secure accurate information, and I would urge upon the minister, with all the earnestness I can command, that he undertake in some way to see that Canada has that information which is so vital to her, and that we have it in a way and from a source that cannot be questioned. As to how he can get that information I do not know, and I would not dare to venture any particular or specific suggestion; but it occurs to me that he has in Canada organizations now operating in agriculture, some of which would be glad to cooperate with him in this matter. If any means could be found whereby he could send an agent or secure an agent being sent from this country for the purpose of finding out all about this scheme, he would be only doing his duty. I am sorry we have no definite information about it. I realize that is because we cut off trade relations with Russia some years ago. I am not going to argue at the moment that those relations should be restored. Personally I feel they should be; I think it would be in the trade interests of Canada that they be restored under certain restrictions with regard to propaganda. We are missing a lot of good business by not restoring those trade relations.

Relations between the two countries would be better if trade relations were restored, but the thing of chief importance to me at the moment is the possibility of this tremendous volume of wheat being suddenly thrown on the markets of the world to their complete demoralization. That would be bad enough, but to have it happen without forewarning would be disastrous to western Canada and a very serious matter to the whole of Canada. If we are forewarned, we shall be prepared for the catastrophe, mentally, if not otherwise. We may not be able to take any direct steps to offset it, but I feel we are at least entitled to accurate information as to the condition of affairs in Russia.

Mr. MALCOLM: I can assure my hon. friend I would like very much to be able to secure accurate information as to what is being done in every country in the world, if that were possible; but in the case of Russia I believe he will agree with me that when one gets an optimistic statement from Russia, one can never tell whether it is propaganda or a bear attack on the market. Anybody who has followed the wheat market in Liverpool will recall that on more than one occasion the Liverpool market was brought down several shillings a quarter on account of information from Russia. The cry of "wolf!" has gone out so often I have ceased to be alarmed about the 200,000,000 acres of which my hon. friend has spoken. The most authoritative statements that I have heard made about Russia, or rather, statements made by men whose judgment is, I think conservative and reliable, are to the effect that Russia has to some extent entered on the venture which my hon. friend points out, namely, industrialized agriculture. Having failed deplorably in the operation of her industry to attain any mass production, she seems to have now turned her endeavours to industrialized agriculture.

Mr. GARLAND (Bow River): Where did the minister get the information that Russia had failed deplorably in regard to industry?

Mr. MALCOLM: I told my hon. friend that I got information from men whose opinions I value but whose names I do not wish to make public, that Russia has failed deplorably in trying to organize her factories, but that she has turned with some success to the organizations of her coal fields and probably of her agricultural areas. I have been informed that Russia is not particularly interested in the growing of wheat in the southern areas, but that she is taking a very great interest and sees possibilities of better returns in growing cotton. That would seem to be borne out by the fact that a great deal of wheat is now going to Mediterranean ports and supposedly to Russia. I cannot join with my hon. friend in being so fearful of what Russia may do to the Canadian wheat business. Russia may be a factor and will be a factor in producing very good wheat, but I doubt very much if the condition which my hon. friend points out will obtain.

As to sending someone to Russia, as my hon. friend suggests, we have not at the present time any trade relations with Russia. There is very little that we can buy from Russia. Lumber, coal and wheat are her three principal commodities of export, and those three are also commodities of export from this dominion. It is true that we can sell Russia some manufactured goods, and we are doing so, to the extent of a few million dollar's worth in recent years. But there is very little trade in return. In the case of a country like Russia, where payments seem to depend on the trading country's ability to lend Russia money, I am not so enamoured of opening trade relations with Russia as my hon. friend. I would like to see more stability in Russia before I would recommend any such step to the government.

Mr. GARLAND (Bow River): Do I understand the minister to say that he does not propose to take any steps to find out more accurately about conditions there?

Mr. MALCOLM: I did not say that I would not take steps, but I have no intention of opening a detective agency to find out what is going on in Russia.

Mr. GARLAND (Bow River): I did not suggest that.

Mr. MALCOLM: If my hon. friend can tell me how I or anybody else can make a survey of Russia except through the ordinary business channels, I shall be glad to hear from him. My hon. friend agrees with me that in the past five years probably three out of four of the statements that have emanated from Russia have been simply propaganda. Some of the statements may be truthful, but to pick out the truthful ones is a gamble. I have heard so many contradictory statements made by people who have been in Russia. Some of them I have found to be correct, but three out of four have been wrong. I have no intention at the present time of sending an investigator to Russia to find out what effect Russia's program is going to have on Canada's trade. It may be advisable in the future, but I do not think it is advisable at the moment.

Mr. GARLAND (Bow River): I am disappointed in the position taken by the minister, because I have usually found him very reasonable. I am disappointed, but I should not be surprised, because I remember that last year he made a speech in this house in which he said that his department was interested in finding markets for manufactured goods but not in finding markets for grain.

Mr. MALCOLM: I never said that.

Mr. GARLAND (Bow River): He said that products of that kind find their own markets. I can quote his words in Hansard.

Mr. MALCOLM: What I said was that our trade commissioners had no facilities for marketing grain, that grain was sold on the exchanges of the world, and that our trade commissioners in their offices had no opportunity to sell grain. My hon. friend knows that, and that is exactly what I meant when I made that statement.

Mr. GARLAND (Bow River): On March 14, 1929, the minister said on page 948 of Hansard:

> The department of trade and commerce is not exercised over the sale of such commodities as wheat, because those commodities find their own markets; but we are interested in assisting the sale of manufactured products.

Mr. MALCOLM: I stand by that.

Mr. GARLAND (Bow River): That is exactly what I said the minister said, and he said he did not say it.

Mr. MALCOLM: No. Hansard will show what I said.

Mr. MANION: Wheat has not found its own market this year very well.

Mr. GARLAND (Bow River): I am going to ask the minister once more to consider this situation. I agree with him that we have been fooled with the cry of "wolf" for thirty years, if he likes, but that was in the days when the peasants of Russia were under the rule of the czar, when conditions in that country were deplorable, when the peasant was a downtrodden wreck of citizenship, poverty stricken and starving for the most part, his grain and foodstuffs taken from him to pay for taxes, and with nothing left to live on but brown or black bread. Since that time I am informed from many sources, not just by one or two travellers, that conditions have vastly changed. Read some of the most modern works on Russia and you will find that there is a changed mentality amongst the people. They were in danger not long ago of a partial famine, and as a result we find from one article after another, coming from a variety of sources, that agriculture is being organized. In view of that and the effect that it must have on the welfare of Canada, it is not too much to ask that the minister undertake to find out in some way—I do not care in what way—the truth for the benefit of those in this country whose living is in agriculture.

Mr. CAMPBELL: I just wish to endorse what my hon. friend from Bow River has said with respect to Russia. If a year ago I had told the minister that to-day Russian pulpwood would be coming up the St. Lawrence and landing at Canadian ports, he would have said that I had a mental aberration. Yet that is the fact to-day. There is no doubt that a lot of the statements coming out of Russia in recent years have been propaganda, but when we see Russian goods being sold in Canada in competition with our own, we are faced with facts, not propaganda. To-day we find Russian pulpwood selling in Canada, and Russian coal and lumber. What are we going to do if Russian wheat is sold in large quantities in England next year? We are almost entirely shut out of continental markets for our wheat, and England is about the only market we have left. If Russia should take that market from us, and there is a serious danger of that happening, what are we going to do about it? Since we are maintaining a department of trade and commerce and have trade commissioners all over the world, it seems to me that this is a subject that we should inquire into right now. The minister should be able to secure information through his trade commissioners, and with accurate information before us we can adjust ourselves to conditions as we see them arise. The Russian farmer has a very much lower standard of living than the Canadian farmer, and if we have to face Russian competition in Great Britain and the outside world, it may be a most disastrous thing for us. The sooner we know what the actual situation is, the better. I would press on the minister the absolute necessity of inquiring into the situation so that we may secure the best information possible.

Mr. MALCOLM: I would like to say in reply to my hon. friends as to the work of our trade commissioners, that I meant just what I said last year in discussing the work of the trade and commerce men in the field. We are not exercised over the marketing of wheat because we have no control over wheat. The pool in this country sells its own wheat,

and it controls 60 per cent of Canada's crop. The rest of the crop is sold when in the opinion of the owners of the wheat the price is advantageous. I defy any hon. gentleman to say that he can represent Canada in Liverpool and can persuade any miller to buy wheat on any other basis than the day's prevailing price for the grade of a Canadian certificate. The market is so well established that I do not think anybody could persuade the buyer to pay a cent more for a grade that he wanted or to buy a grade that he did not want. We have looked into this situation. There are countries where our trade commissioners have done everything possible to assist, and have cooperated with the agents of the pool; but those countries have not the great buying power of Britain. We are interested in the marketing of anything where we can help, but wheat is a commodity in which it is particularly hard for us to be of active assistance because the owner sells only at the moment he thinks the price is as high as he can obtain.

As to the Russian situation, two things have been pointed out by members who have spoken; namely that Russia is likely to grow a lot more wheat, and that the Russian people are raising their standard of living. I think everybody realizes that in the days before the war when Russia produced and exported a considerable quantity of wheat she was not a large consumer of her best grades. Now we are told Russia will be a very substantial consumer of those grades. These statements must be judged one in relation to the other. I am informed there will be some Russian wheat come out of northern Russia, and I am told also that there will be a market in southern Russia for as much wheat as northern Russia will export. As a matter of fact, of nineteen boats in all that came from Russia to Canada with coal or pulpwood, sixteen were chartered to take wheat back to Mediterranean ports.

Mr. GARLAND (Bow River): Exactly.

Mr. MALCOLM: Where their ultimate destination is I do not know.

Mr. GARLAND (Bow River): It is not Russia.

Mr. MALCOLM: I am also informed that southern Russia at the moment is very short of wheat and that wheat is likely to go in there. All these statements from Russia are more or less rumours, and to investigate the actual conditions there is a very difficult matter. Canada broke off trade relations with Russia in 1927; therefore we cannot at the present time send trade commissioners to ask their statisticians to supply us with information. Calculations have been made by various agencies, and we are trying to get from these sources authoritative information that may be of assistance to our wheat growers. In a word, we are watching the situation, and from what I know I do not see the disaster facing us that my hon. friend thinks is imminent. I do not believe Russia will be such a tremendous factor in the wheat market this year as has been reported.

Mr. GARLAND (Bow River): Perhaps the minister might get information from the British government. I offer the suggestion to the minister for what it is worth. I understand they have reestablished trade relations with Russia.

Mr. MALCOLM: I do not think official relations have been reestablished.

Mr. GARLAND (Bow River): I have an idea, Mr. Chairman, that the minister should know more about it than I do—

Mr. BENNETT: They have reestablished quasi diplomatic relations.

Mr. GARLAND (Bow River): May I suggest to the minister that he take the matter up with the board of trade department of Great Britain and find out whether they think there is any truth in the reports which have been in circulation. I am only anxious to help the minister get the best information. If he cannot send a man there himself I ask him to take it up with the British authorities.

Mr. MALCOLM: I am trying to get information, but I may tell my hon. friend frankly that the reports are very conflicting. We get information from our trade commissioner in London which he secures in various ways, but the reports emanating from Russia are so contradictory that the authorities in England are not inclined to attach much importance to them. I do not think we can place full credence in some of the reports, because nothing would be so much to the personal advantage of a man who wished to depress the market as to circulate rumours that Russian grain was coming in in large quantities. As I said before, you can never tell whether these statements are authentic or mere propaganda.

Mr. SHORT: A few minutes ago the minister said that Russia was increasing her trade in coal. Has he or the government taken into serious consideration doing anything to prevent the importations of hundreds of thousands of tons of Russian coal to the detriment of the coal industry of Nova Scotia? The minister says there are no diplomatic rela-

tions between Russia and this country. If that is so there is certainly a very undiplomatic trade going on, because he and his government must be well aware that not a few cargoes, but hundreds of thousands of tons of Russian coal are coming into this country and are being sold at a price below that at which Nova Scotia can land her coal in Montreal. I think the minister or his department should give very serious consideration to the question of why one of the natural products of this country should be displaced by coal imported from Russia which is mined with prison labour.

Mr. MALCOLM: No.

Mr. SHORT: Well, with very cheap labour —labour that lives at a standard very much below what our miners live or what we would want them to live. This is a very serious question, and it is increasing in gravity all the time. Certainly the minister's department or the government should do something about it.

Mr. CANTLEY: I want to direct a few questions to the minister with respect to coal. I brought the matter to his attention in connection with the first importations of coal from Russia in 1928. At that time he thought very lightly of it and told me it would not amount to anything. I then also spoke to three of his colleagues, the Minister of Mines (Mr. Stewart), the Minister of National Revenue (Mr. Euler) and the then Minister of Finance Mr. Robb. The only one who took any interest in the matter was the late Mr. Robb. Now, I want to point out to the minister that this coal has continued to come in in increasing quantities. As I say, it began in 1928. The importations largely increased a year ago, and to-day we have hundreds of thousands of tons coming, as the hon. member for Digby-Annapolis (Mr. Short) has just said. This matter was dealt with a week ago when I asked a question of the Minister of Mines who is now in his seat beside the minister. His reply then was:

There has been some coal carried from Montreal as far west as Cobalt.

Then he made this astounding statement:

It has been coming in under the subvention granted to the movement of Nova Scotia coal, but I am informed that only a small amount has reached Cobalt. It is not expected that the importation of Soviet or Russian coal will exceed 300,000 tons.

I think the Minister of Mines was under a misapprehension when he made that statement. He had an idea, due to imperfect knowledge of the facts, that that coal would not compete with our coal. Indeed he said that it did not affect the importation of anthracite coal from Great Britain, the proof of that in his mind being that the importation of anthracite from Great Britain was increasing and the importation of American anthracite was decreasing. For the moment I am not particularly interested in the question of the relative increase or decrease of anthracite coal from Great Britain or the United States, but I am interested in the class of coal to which I have referred and of which I have a sample in my hand. I may say that I showed this coal last week to the Minister of Mines. We have here a coal which comes as a result of a very great improvement in Soviet mining conditions and scientific treatment of that product. These people have set for themselves the mark of 300,000,000 tons as a yearly output, and judging from the progress they have made in the last few years it is not unlikely they will reach that enormous output within a short time. This coal may be considered a by-product of anthracite coal. May I point out to the minister that when the first cargoes of Russian anthracite coal came out they consisted of totally unprepared run-of-mine anthracite, and it proved to be a fine fuel. As analysis proved, it is superior to any anthracite of which I am aware, and in that statement I include the anthracite from Scotland, Wales and the United States. It is higher in fixed carbon and lower in ash than the anthracite coal produced to-day in any of those countries, or any such coal which has been mined in those countries within the last twenty years. Last year the coal came out sized egg and nut, and this year it is coming in buckwheat sizes also. This Soviet coal is air washed and is beautifully polished, and entirely free from dust or other impurities. If not air washed it would be a waste product and would be thrown on the dump. It is brought out under a guarantee rate of freight not exceeding 12 shillings a ton with a guarantee to the importers that if the freight goes up to 14, 18 or 20 shillings the exporters will bear the difference between 12 shillings and any advance in freight rates up to 20 shillings per ton. In other words, Russian producers will contribute up to 8 shillings a ton to meet any increase in the freight. The coal can be air-cleaned for say five cents per ton. Twelve shillings in our money amounts to $2.88. If sold on the Montreal market at $3 a ton the producers will come out even, indeed have a small profit of say seven or eight cents. Nova Scotia cannot place run-of-mine coal on the bunkhead for $3 a ton, to say nothing about transporting from Nova Scotia to Montreal. Now I ask the minister, what is the government

going to do about it? This coal is now actually going into the interior of Ontario, and the Minister of Mines stated it is being transported west from Montreal under the subvention rail freight granted to the moving of Nova Scotia coal.

Mr. STEWART (Edmonton): I am sorry if Hansard interpreted my statement in that way. I did not read my remarks, but if I made that statement it is not the fact. Soviet coal does not enjoy the subvention granted to Nova Scotia and New Brunswick coal. The payment of subvention is dependent upon the coal coming from Nova Scotia and New Brunswick from our own field.

Mr. SHORT: Why did you make the statement which appears in Hansard?

Mr. STEWART (Edmonton): Hansard must have misinterpreted my remarks, or if I made the statement my hon. friend has quoted I should have changed it.

Mr. CANTLEY: I am glad to have the correction, but in all fairness I would like to read the statement made by the minister.

Mr. STEWART (Edmonton): My hon. friend has read it.

Mr. CANTLEY: It is as follows:

> There has been some coal carried from Montreal as far west as Cobalt. It has been coming in under the subvention granted to the movement of Nova Scotia coal, but I am informed that only a small amount has reached Cobalt. It is not expected that the importation of Soviet or Russian coal will exceed 300,000 tons. Perhaps the total will be about 150,000 tons.

That is the statement made by the minister.

Mr. STEWART (Edmonton): I do not wish to interrupt my hon. friend, but I wish to make a correction to the effect that there is no coal moved under the subvention, except Nova Scotia coal.

Mr. CANTLEY: I want to point out to the government that this Soviet coal which is coming out here to-day can be sold at a small profit even if sold for $3 a ton. It is offered freely at $6 a ton, and if a buyer could be found who wanted it in large quantities I am quite satisfied he could obtain it at a much smaller price. The exporters have demonstrated that they are in a position to sell it at as low as $3 a ton, delivered at the port of Montreal.

Mr. ROSS (Moose Jaw): There is no mining cost in connection with it. Did my hon. friend say there was $2.88 freight?

Mr. CANTLEY: I wish someone would interpret to me what the hon. gentleman is saying; I am anxious to answer, but I cannot hear him. However, I do not know that it makes very much difference.

Mr. STEWART (Leeds): The hon. gentleman has said that we are including mining costs.

Mr. CANTLEY: What is the use of saying that? I have given the cost of the coal delivered at Montreal.

Mr. ROSS (Moose Jaw): My hon. friend stated there was a charge of 12 shillings for freight.

Mr. CANTLEY: I have already pointed out that it is a by-product, and if it did not come out here or find a market elsewhere it would go to the dump. However, by air washing it as they can do at a cost of about five cents per ton they are able to offer it if necessary as low as $3 a ton and are freely offering it for $6 in Montreal. They are able to offer this fuel at a much lower figure than that at which we can produce and sell Nova Scotia coal on the same market. Is that clear?

Mr. ROSS (Moose Jaw): It is clear enough, but you have said it is waste coal, and you have said that it will compete with the very best grade of anthracite.

Mr. CANTLEY: I say the coal would be a waste product if not classified and air washed, which is done, and exported to this country, and we are foolish enough to allow them to do it. This is a better fuel than any bituminous coal that is mined in Canada, or can be produced anywhere in Canada.

Mr. ROSS (Moose Jaw): The hon. gentleman said it was better than the best.

Mr. CANTLEY: It is a better boiler fuel than any bituminous coal mined in Wales, the United States, Canada, or anywhere else, and what are we going to do about it? When the first carload of Soviet coal reached the United States during the fall of 1928 it was refused admission. The collector of the port of New York appealed to the government at Washington as to how he should deal with the situation, and as a result Washington promptly placed on that coal a duty of $2.84 a ton. The ship there was diverted to Montreal and there discharged the cargo free of duty. Cargo after cargo has come out since, and it is expected that three or four hundred thousand tons will come out this year. I appeal to the government, and I want to know what the government intends to do.

The miners of Nova Scotia and the Alberta coal miners are interested and demand action from the minister; and I want to tell the minister that probably before members of this house reach their homes this Soviet coal will have reached the city of Winnipeg. Hon. members need not express doubt about it, they may depend that it will be there and very soon unless there are effective steps taken to prevent it. One of the members of the British House of Commons, who is thoroughly familiar with the coal trade, in calling attention to the matter, recently made the statement that the men who produce this coal are working for a rouble or say 18 cents per day. The Soviet coal producers have spent enormous sums of money within the past five years in perfecting their methods of treatment of this coal with the result that they have a product which is coming to this country today in large volume and apparently the government is powerless to deal with it, although they have had three years in which to consider the situation and meet the difficulty.

Mr. STEWART (Edmonton): I regret very much that I did not previously correct the statement in Hansard, to the effect that Russian coal was moved under the subvention, which in fact applies only to Nova Scotia coal. I wish to make that correction at this time, and make it perfectly clear that it is not true. There is no coal except the Nova Scotia and New Brunswick coal moved under the subvention, either on the railway, the steamships, or by combination of rail and steamship. The subvention applies to it only and never was intended to apply elsewhere. With respect to the statement of my hon. friend, that he is not concerned about the importation of Russian anthracite—

Mr. CANTLEY: I did not say that; I did not say I was not concerned. I said I was not concerned as to whether the relative quantity of British or American coal was greater or less. The importation of this coal overshadows the whole question.

Mr. STEWART (Edmonton): All right, I shall accept that statement. I have been making some inquiries in recent days since my hon. friend raised the question in the house and the conversation I had with him in respect to this particular product, and the fact is that we are importing more British anthracite coal than ever before; it is constantly growing. The falling off is in the United States coal, so that there is evidence that the Russian anthracite is supplanting the importation from the United States. With respect to the product about which my hon. friend complains and the importation of which he fears will grow to large proportions, I am making careful inquiries with a view to seeing whether or not the duty now imposed against the American product can be applied against importations from Russia.

Mr. SHORT: The duty is only 50 cents on the American product, is it not?

Mr. STEWART (Edmonton): Yes.

Mr. CANTLEY: There is no duty on anthracite coal from any country.

Mr. SHORT: A duty of 50 cents will not prevent it.

Mr. STEWART (Edmonton): Yes, but there are other means which can be adopted whereby duty can be charged.

Mr. CANTLEY: Undoubtedly there are other methods. My complaint against the minister and the government is that they talk about other methods, but for three years they have allowed this coal to come into Canada and have done absolutely nothing. Two years ago they scouted the idea that there was anything in it all; only one minister at that time exhibited any interest whatever. The quantity imported has been increasing, and unless something very definite is done to meet the situation you will find half a million tons of this coal coming into Montreal and large tonnages to other parts of Canada as well within the next year. As a matter of fact this coal is being sold down in Halifax now; the importation is not confined to Montreal, and within a few months, and before the frost comes, you will find it in Winnipeg. What are you going to do about it?

Mr. FANSHER (Last Mountain): I am very sorry the Minister of Trade and Commerce does not take as seriously as I thought he should the remarks of the hon. members for Bow River and Mackenzie. I have made a study of the Russian situation as it affects the British market for our wheat ever since it has been my privilege to be in the House of Commons, and I must say that I am alarmed over this situation. Usually I take a very optimistic view of these things, but I am alarmed now. We know that our wheat did not move last fall and that we did not get a pro rata part of the importations of wheat into Great Britain, and the one real reason for that was because we were not buying a sufficient quantity of British goods. There were two delegations came over from Great Britain to try and arrange better trade agreements or understandings between Canada and that country, and after those delegations

were more or less turned down Great Britain went to the Argentine and practically took the entire crop. In return they gave goods. I have several photostatic copies of editorials and articles which appeared in the Manchester Guardian, which very forcibly state the situation with regard to the Canadian wheat in the British market, and every article shows the necessity of our taking more British goods. Nearly every article makes reference to that 50 per cent clause which went into effect on February 1, 1929, and which shut out the major portion of cotton textiles and some manufactures of copper. As I have said before, this was the last straw that broke the camel's back, and if these conditions are not remedied in the near future we will have another crop on our hands and the president of the Canadian Pacific Railway will be reporting another loss of $21,000,000. I have here a short statement which appeared in the Toronto press, as follows:

> The reduced wheat crop, and its failure to move normally, resulted in a loss of $21,000,000 to the Canadian Pacific Railway, E. W. Beatty, the president, told newspaper men to-day. Less than half of this, however, will be made up when the wheat does start to move, which Mr. Beatty expects will be next month.

This statement appeared on February 27, but the wheat did not begin to move until recently. The statement made by the Minister of Trade and Commerce on March 14, 1929, has been read already; the minister said he was not interested in the marketing of wheat, which would find its own level in the markets of the world.

Mr. MALCOLM: I did not use those words, and I cannot allow my hon. friend to say that we are not concerned in the market for Canadian wheat. I said we were not exercised, and I think my hon. friend should be fair enough to use the word I used.

Mr. FANSHER (Last Mountain): When I spoke of the minister I spoke of him as the head of the Department of Trade and Commerce, and I will read the exact words:

> The Department of Trade and Commerce is not exercised over the sale of such commodities as wheat, because those commodities find their own markets; but we are interested in assisting the sale of manufactured products.

Mr. MALCOLM: Quite so.

Mr. FANSHER (Last Mountain): It is quite all right to be interested in the sale of manufactured products; several million dollars worth of manufactured products go to Great Britain and to Russia from Canada. The Minister of Trade and Commerce said a few moments ago that we would have to take something in return if we exported to Russia, and the Minister of Finance has made that statement several times during the course of this session. If that be true—and no one doubts it—of necessity we must take more goods from Great Britain. That is absolutely necessary if we expect Great Britain to take from 300,000,000 to 350,000,000 bushels of our wheat to relieve the Canadian market. We must take that much in goods from Great Britain.

I do not wish to delay the committee, but I could give statistics to show that up until the last few months we were taking less than half the amount of goods from Great Britain that would compensate for this amount of wheat. That balance of trade must be looked into. The more we pry the foreign markets open for manufactured goods the more we will have to take in return to pay for those goods, and it is just a question of whether the Minister of Trade and Commerce is going to interest himself in the marketing of our wheat as to whether our next crop will be in any better position than the last one.

I do hope he will seriously consider the remarks of the hon. members I previously mentioned and interest himself in finding out the Russian situation, and interest himself very seriously in seeing what can be done in regard to the marketing of our wheat because it will not find its own market any more; it must be merchandised. When Great Britain has come to the place where she has to resort to bartering, trading her goods for other goods, we must be up and doing in order to get in on that market. The situation is too serious to pass over.

Mr. MALCOLM: Does not my hon. friend know that the whole basis of this year's budget was to let Great Britain sell us more goods so that we could sell her more wheat? My hon. friend realizes that.

Mr. FANSHER (Last Mountain): I will tell the minister that all the articles put on the free list from Great Britain do not amount to the snap of my fingers when compared to the damage done by the 50 per cent content regulation.

Mr. GEARY: Surely no one could suggest that the budget is going to remedy this wheat condition; surely my hon. friend the minister who has just spoken does not think that the English trade with Canada will be greatly increased by the new budget. If my hon. friend wants to change that balance of trade and get the credits right, let him shut out American goods; let him raise the duty on those goods and divert the trade in reality

from the United States to Great Britain. He cannot do it by the miserable little gestures that have been made by this government in connection with the British preference. No one in this house seriously thinks for one moment that that is going to make any difference to amount to anything.

I am a little concerned about my hon. friends here to my left; they are getting to the same point as hon. gentlemen opposite and are finding out that they must rely upon protection after all, even if it is upon wheat. Apparently they want the minister to take some steps to protect them against inroads of Russian wheat.

Some hon. MEMBERS: No, no.

Mr. GEARY: I have heard it said that they do not want any more farmers in the west because those farmers will produce more wheat and the prices will be brought down.

Mr. FANSHER (Last Mountain): I do not think the hon. member quite caught my argument. I claim that the 50 per cent clause is an extreme one; if it were changed to 40 per cent British Empire labour and materials, as regards cotton and copper manufactures, it would remedy the situation.

Mr. GEARY: I understood the point my hon. friend was trying to make. I would suggest to my hon. friends that they call upon their gods, the old god of free trade. That is a faith they have been holding to for many years. Surely if we follow that theory the countries of the world should take advantage of their opportunities and grow what they are able to grow, spread their products throughout the world, bring down the prices, and thus bring about that cheapness of commodities which is the desideratum of free trade. But I do not think my hon. friends really want cheap wheat, and I do not blame them in taking the stand they do. They want to obtain a profit; they do not want the consumer to obtain the cheapest wheat possible, neither do they want their market interfered with.

Mr. COOTE: If it were not a sacrilege, we would call upon the gods across the way to give us free trade. If we had free trade in the goods which we have to purchase, then we could meet this competition from Russia with the prices we are obtaining for our wheat. A vote of about $750,000 appears under the heading of commercial intelligence service. All we are asking is that the government spend some of that money in an endeavour to obtain accurate information regarding the wheat situation. Surely the wheat producers



are entitled to know just what is happening. If it is necessary to meet this competition from Russia we may have to come back here and ask for free trade in certain things, but I do not want to be led away into a discussion on free trade. The minister must have some idea of the amount of money expended by Russia in the purchase in this country of agricultural machinery, and he must know that that machinery is being purchased for one object only, the growing of wheat. We are asking that we receive some service from the commercial intelligence service branch, and I think we are entitled to that. In his opening remarks the minister led us to believe that he had no way of obtaining reliable information; the information which he was able to get was not reliable, so why bother with it.

Mr. ROSS (Moose Jaw): The hon. member for South Toronto (Mr. Geary) made the statement that the budget brought down by the Minister of Finance (Mr. Dunning) would not help to move Canadian wheat. There is no doubt that it is helping to move Canadian wheat. Because of this budget the people of England have had their attention drawn to the situation, and they are demanding more and more that Canadian wheat be supplied. The hon. member for Last Mountain (Mr. Fansher) is going to try to sell 350,000,000 bushels of wheat to England, when she cannot use more than 225,000,000 bushels. The present situation in this country has not been caused by the competition of Russian wheat. During the war and for some time following the end of the war, wheat prices were high and many additional acres of land were brought under cultivation. Wheat prices have since fallen, and the acreage must be limited. Although we may have competition from Russia, other countries which have been competing with us in the growing of wheat will have to get out of that business, and then the market will be as it was before. Russian competition existed before the war and it will exist again, but the wheat farmer of western Canada, with his improved methods of farming, can compete in the growing of wheat with anyone in the world. He can grow a better wheat and he will find a market for it.

Mr. KENNEDY: I understand the minister has taken the position that it is impossible to obtain reliable information regarding Russia. There is a committee in the old country which has upon its membership some of the Labour members of parliament. That committee has been studying trade relations as between Great Britain and Russia and they

have issued a pamphlet in which they claim that the statistics coming from Russia are absolutely reliable. The sooner we make it our business to obtain all the available facts, the better it will be for us. I think the Minister of Trade and Commerce should bend every effort and use every resource at his command in order that we may be supplied with reliable information.

Mr. MALCOLM: It is not necessary to go to the Minister of Trade and Commerce in order to obtain reliable information as to the possible wheat competition from Russia. Broomhall publishes a report which is available on every exchange in western Canada, and which contains very reliable information. I say again what I said to the hon. member for Bow River (Mr. Garland), that I cannot find anything in the best authorities which would justify the extravagant statement that Russia this year is going to flood the wheat markets of the world. I believe she is going to be in production but I do not believe it will be to the extent stated by my hon. friends.

Mr. FANSHER (Last Mountain): In answer to the hon. member for Moose Jaw (Mr. Ross), and to the Minister of Trade and Commerce, I would state that the Financial Post reports that Russia put 84,000 tons of wheat into Great Britain during the months of December and January.

Item agreed to.

Mail Subsidies and Steamship Subventions

Atlantic Ocean

Canada and South Africa, service between, $150,000.

Canada and Newfoundland, service between, $35,000.

Eastern Canada and Brazil, Uruguay and the Argentine service between, $120,000.

Pacific Ocean

British Columbia and Australia, service between, $92,400.

Canada and New Zealand, on the Pacific, service between, $100,000.

Prince Rupert, B.C., and the Queen Charlotte islands, service between, $21,000.

Vancouver and the British West Indies, service between, $36,000.

Vancouver and ports on Howe Sound, service between, $5,000.

Vancouver and northern ports of British Columbia, service between, $24,800.

Victoria, Vancouver, way ports and Skagway, service between, $25,000.

Victoria and west coast Vancouver island, service between, $15,000.

Local Services

Baddeck and Iona, service between, $10,500.

Charlottetown and Pictou, service between, $40,000.

Charlottetown, Victoria and Holliday's wharf, service between, $5,000.

Dalhousie, N.B., and Carleton, Que., service between, $3,000.

Grand Manan and the mainland, service between, $33,000.

Halifax and bay St. Lawrence, service between, $3,600.

Halifax, Canso and Guysboro, service between, $9,000.

Halifax, LaHave and LaHave river ports, service between, $6,000.

Halifax and Sherbrooke, service between, $1,500.

Halifax, South Cape Breton and Bras d'Or lake ports, service between, $5,000.

Halifax, Spry bay and Cape Breton ports, service between, $6,000.

Halifax and west coast of Cape Breton, service between, $6,000.

Mainland, Miscou and Shippegan, service between, $2,000.

Mulgrave, Arichat and Petit de Grat, service between, $15,000.

Mulgrave and Canso, service between, $30,000.

Mulgrave and Guysboro, calling at intermediate ports, service between, $14,000.

Murray Bay and North shore, winter service between, $32,900.

Newcastle, Neguac and Escuminac, calling at intermediate ports on the Miramichi river and bay, service between, $4,500.

Parrsboro, Kingsport and Wolfville, service between, $5,000.

Pelee island and the mainland, service between, $11,000.

Pictou, Mulgrave and Cheticamp, service between, $11,000.

Pictou, New Glasgow and Antigonish county ports, service between, $1,000.

Pictou, Souris and the Magdalen islands, service between, $50,000.

Port Mulgrave, St. Peters', Irish cove and Marble mountain, service between, $10,350.

Quebec, Natashquan and Harrington, and other ports on the north shore of the gulf of St. Lawrence, service between, $85,000.

Quebec or Montreal and Gaspe, and other ports on the south shore of the gulf of St. Lawrence, service between, $60,000.

Rimouski and Matane and points on the north shore of the lower St. Lawrence, service between, $50,000.

Riviere du Loup and Tadoussac, and other north shore ports, service between, $15,000.

St. Catherine's Bay and Tadoussac, service between, $5,000.

St. John and Bear river, and other way ports, service between, $2,000.

St. John and Bridgetown, service between, $1,000.

St. John and Digby, service between, $15,000.

St. John, Digby, Annapolis and Granville, service between, $2,000.

St. John and Margaretville, and other ports on the bay of Fundy, service between, $4,500.

St. John and Minas basin ports, service between, $5,000.

St. John and St. Andrews, calling at intermediate ports, service between, $4,000.

St. John, Westport and Yarmouth, and other way ports, service between, $18,000.

St. John and Weymouth, service between, $1,500.

Summerville, Burlington and Windsor, N.S., service between, $500.

Sydney and bay St. Lawrence, calling at way ports, service between, $25,000.
Sydney and Bras d'Or lake ports, and ports on the west coast of Cape Breton, service between, $18,000.
Sydney and Whycocomagh, service between, $16,000.
Trois Pistoles and Les Escoumains, service between, $1,000.
Grant to the province of British Columbia for the improvement of the mail service on inland waters in that province, $3,000.
Inspection of subsidized steamship services, $5,000.—Total, $1,276,050.

Mr. MANION: I suppose we are dealing with all these items together?

Mr. MALCOLM: Yes.

Mr. MANION: I mentioned these subsidies for local services to the minister some time ago. They amount to something like $1,000,000. As regards the St. Lawrence river, many subsidies are paid to one company. I understand that Clarke Brothers are receiving something like $300,000. Many of them are quite heavy, but there is one to which I would like to refer, as follows:

Rimouski and Matane and points on the north shore of the lower St. Lawrence, service between, $50,000.

This item was passed as an order in council on December 20th of last year. Instead of the government waiting until the matter came into the house, for some reason an order in council was passed to grant this $50,000 subsidy.

Mr. BENNETT: How could they do that?

Mr. MANION: I do not know, but they did it in any case. They put it on the list by an order in council providing a subsidy, not for one year but for ten years. A strange thing is that this session in the provincial legislature at Quebec there was a proposal that the same company receive $50,000 for ten years also on the same service. This was fought in the Quebec house and the period was finally cut down to five years. This company, then, is receiving $100,000 a year for this service, and I am informed on very good authority that the same service was carried on in the past for $12,500 a year under a subsidy given not for ten years or five years, but by the year. The minister shakes his head.

Mr. MALCOLM: I shall be pleased to give my hon. friend the explanation.

Mr. MANION: Let the minister give the explanation and then I will continue with my remarks.

Mr. MALCOLM: I will give the explanation after my hon. friend has finished.

[Mr. W. R. Fansher.]

Mr. MANION: I am giving the facts as I have received them from people in whom I have confidence. They may be wrong; the minister may dispute them, but I have under my hand some of the returns, copies of some of the letters written by the minister's department, and so on, and I have studied the matter carefully. That is the statement. Moreover, I am told—and I will give the name of the company in this case—the Des Monts Shipping Company of Quebec offer to give, for $10,000 a year, the same service for which $50,000 a year is being paid by this government and $50,000 a year by the Quebec government. By the way, I might mention that the subsidy given by the provincial government was not given as a subsidy but was brought in as a bill, so that, although we have nothing to do with the provincial government, this emphasizes the great friendship the provincial government and this government have for these people.

It is true the Clarke's, I am told, deny that they own this company. The name of the company is The Lower St. Lawrence Transportation Company, but I am informed that the Clarke's, who get altogether, including this sum, $300,000 a year in subsidies, own about 95 per cent of the stock. I am also advised—and I am giving the minister all the facts I have—that the two boats together that are carrying out this service are not equal in value to the subsidy for one year. It is true that the improvements—and this I did not get from the people who gave me the original information; I got it from one of the officers of the company just yesterday—that are being made on these boats, are to be completed some time next year, and I am informed that when the boats are improved they will be very much more valuable than they are now and will give a much better service. But in the meantime, although the improvements are not to be completed for a year, or until some time in the summer of 1931, the subsidy is being paid. It is stated by my informant—and I will conclude with this—that the total at the outside for this service should not be more than $15,000 a year between the provincial and the Dominion governments, instead of $100,000 a year. He stated also that the same coast route is served to-day by some seven vessels, including Gaspe County, Gaspe Trader, Miron, Annie Nodeau, Tremblay and a couple of others, without their receiving any subsidy at all. I have stated the whole matter very briefly. I have taken all these reports which I have, amounting to some tens of thousands

of words, and condensed them into a very brief statement of the facts, as they were given to me. I shall be glad to hear what the minister has to say in reply.

Mr. MALCOLM: My hon. friend from Fort William has apparently fallen into the hands of someone who did not have the full particulars regarding this service. This is really an amalgamation of three services, and I am free to say to the committee that I was the instigator of the amalgamation of these various companies. There were three very indifferent services being given on the St. Lawrence.

Mr. QUINN: Had the three services two boats?

Mr. MALCOLM: There were three separate services.

Mr. MANION: I am informed that they are exactly the same boats.

Mr. MALCOLM: Will my hon. friend allow me to finish my explanation? Owing to the development on the north shore and the desire of the people on the south shore to take advantage, by way of opportunities for employment and the sale of merchandise, of the development work of the large paper companies that were going in, we were approached by boards of trade or received communications asking us to institute a good service. We had wanted to get commodities from New Brunswick and Nova Scotia more cheaply into northern Quebec in order to give the maritime provinces an opportunity to compete. There are no railways and no good roads through this rapidly developing area and the people are entirely dependent on water service. I had been approached by various people who had little auxiliary schooners like some of the vessels my hon. friend speaks of, to grant a subsidy. I think we had in all four or five appeals for subsidies. During last session I had to provide for a service with good boats across the St. Lawrence and on up to the various points of call. I shall be very frank with my hon. friend as to the Clarke Steamship Company, before I tell him how this amalgamation was brought about. This is the first service in which I have had anything to do with the Clarke Steamship Company which is affiliated with the other companies in this service. The other services they have are the Quebec, Montreal and Gaspe service for which they built a splendid boat called the New Northland, for which service they got $60,000 a year. They extended that to Cornerbrook.

Mr. BENNETT: How much did she cost?

Mr. MALCOLM: About $300,000. They operate the Gaspesia too on the service.

Mr. BENNETT: They got 20 per cent of the value of the boat as a subsidy.

Mr. MALCOLM: My hon. friend must allow 10 per cent for depreciation and maintenance. These services were installed before I came to the department, and had been in existence for a number of years. There is also the Quebec and Harrington service, carried on by the North Shore and the Voyageur. That is an $85,000 subsidy. The service is extended to Cornerbrook fortnightly. Then there is the Murray Bay and north shore winter service, for $32,500. On this service a good deal of money was lost because of ice conditions. I consulted the people who were performing these indifferent services, and asked them whether they could make an amalgamation of the various interests and provide a high class boat which would cost about $250,000, also using the boats that are there at the present time. I suggested that if they would provide an adequate service, and the province of Quebec would pay half of the cost, as it was primarily a business of the province of Quebec, although we were interested in giving Ontario, New Brunswick and Nova Scotia products an opportunity with proper facilities to get into that area, I would consider a term contract. That was the proposition I made to the various interests in the lower St. Lawrence. Mr. Clarke was interested and so were a number of others. I left the matter with those interested to see what could be worked out. They worked out a service and after considerable bartering, we finally agreed that we would pay half of this service if the provincial government would pay half.

The representations made by the hon. member for Fort William do not take into account what is given by way of service. The services are all increased in frequency. The new service to be performed by the Lower St. Lawrence Transportation Company replaces the following services: Rimouski, Bersimis and Pointe aux Outardes; Rimouski, Pointe aux Outardes and Trinity Bay; Matane, Trinity Bay and Seven Islands.

The Manicouagan will make three trips a week instead of two, and will be remodelled and improved.

On the Rimouski, Pointe aux Outardes and Trinity Bay route, there is the steamer Mayita. This was formerly operated by the Rimouski-Saguenay Navigation company under subsidy, between Rimouski and Pointe aux Outardes only. The Mayita will make three trips a week instead of two, will

perform a regular service to north shore ports as far east as Trinity Bay, and will be replaced on the opening of navigation in 1931 by a new ship with a speed of from eleven to fourteen knots.

On the Matane, Trinity bay and Seven islands route, there was no subsidized service formerly, but applications for subsidy have been received frequently in past years from the Heppell Transportation company, the St. Regis Paper company, La Cie de Commerce Maritime de Matane, the Quebec and St. Lawrence Navigation company and Capt. Theodore Piuze.

The Heppell transportation company and the Rimouski-Saguenay Navigation company, have been absorbed by the new Lower St. Lawrence Transportation company.

We have had other applications for the service between the north and south shores from various people. When I took this step I can assure my hon. friend that I was acting much in my own interests, to relieve the pressure from people who wanted subsidies. There were many small services, and there were many requests for more. I can assure my hon. friend that the contract which was drawn up with the Lower St. Lawrence navigation company is dependent on the vote being passed by this house. If parliament does not vote the money, it cannot be paid. I do submit, however, that the provincial government went carefully into the matter. My hon. friend said that the vote was opposed in the provincial house; I did not know that. I know that the subsidy was to be 50 per cent provincial and 50 per cent federal. I contend, after having looked into the matter very carefully, considering the service they are called upon to perform they will not make much money out of the subsidy they are receiving. My hon. friend also said that someone had offered to perform this service for $10,000. We have had other applications for services between the north and the south shores, from $10,000 down to $5,000. The Des Monts company has just one boat the Savoy. Others who offered to perform the service had no steamer at all, nothing but a schooner.

Mr. MANION: I do not wish to delay the house, and while I do not question the minister's explanation from his own standpoint, I would point out that while he said that I had got into evil hands—

Mr. MALCOLM: No, wrong information.

Mr. MANION: I am afraid that the minister got into the wicked hands of those who are getting this subsidy. Before going any further, let me say that I am not opposing this service in any shape or form, and I do not wish to be considered as opposing it. I want these people on the St. Lawrence to get this service, but at the same time I submit that these facts have been given to me by a gentleman who I believe is pretty well informed; he has given me copies of letters of a most interesting kind which I shall not take up time to put on Hansard. He admits a number of facts which the minister has stated. For instance, the minister says that two services have been amalgamated into one. This gentleman admits that, but he says that it is the same service which last year was getting $12,500.

Mr. MALCOLM: That is quite incorrect.

Mr. MANION: It is his word against the minister's.

Mr. MALCOLM: I can show my hon. friend the contract.

Mr. MANION: The minister has proved himself wrong in some cases. For instance, he says that this company has agreed to build a new boat, and it is on the basis of that agreement that they get this $100,000 subsidy. The boat will not be built until July 1931, over one year and two months from now, and yet the subsidy is being paid now with no better service being performed. Again, according to the minister's statement, this boat is to cost $250,000, and they are getting a subsidy of $100,000, or nearly 50 per cent of the cost of the boat.

Mr. MALCOLM: That is not a relationship that works. The cost of operating a service like that is very high.

Mr. MANION: But they have other traffic. I venture to make this assertion, that the minister can get all the boats he wants built in this country instead of going to England, if he will offer a subsidy of nearly 50 per cent of the cost of the boat.

There is another strange thing, which I forgot to mention before. There were no tenders called for this service. There are in this section of the river a number of shipping companies, the Des Monts shipping company and the Bras d'Or shipping company, to mention only two that come to my mind, and a great many others giving service down the St. Lawrence, but not one of them was called on to tender for this luscious plum, and all were willing to perform the service. I have copies of letters on my file protesting against tenders not being called for. Instead of call-

ing for tenders, the government did not even wait for the house to meet but passed an order in council to give this subsidy for ten years.

The minister says that he was not aware that there was opposition in the Quebec house to the subsidy. May I enlighten him? It was proposed in the provincial house in the first place to give a subsidy of $50,000 for ten years, but due to the opposition of the member for Hull, Mr. Guertin, the subsidy was granted for only five years. I submit that the minister ought not to grant this subsidy at least until the boat that is to be built is performing the service. I think it is most unfair to the province of Quebec and the Dominion of Canada that this company should be getting a subsidy of $100,000 between the two parliaments for the service that it is giving at the present time. The minister does not choose to answer. I would ask him why tenders were not called for.

Mr. MALCOLM: There are certain inferences there. The Clarke Steamship Company had some interest at the lower St. Lawrence. If my hon. friend will look at the map, he will see that this service crosses from the south shore of the St. Lawrence to the north shore, giving a service to a great many ports on the upper St. Lawrence, which is already served by the Clarke Steamship Company by one of their other ships. I am not a great believer in vested rights, but we have given to the Clarke Steamship Company the service on the north shore, and the Clarke Steamship Company will lose by reason of the competition of this service from the south shore. The service is a great convenience to the travelling public who otherwise would have to go to Quebec and take the boat down the St. Lawrence, or go across to some other point and take the service existing there. I am quite prepared to say to my hon. friend that the interested parties were well approached and had been asked to try to form one amalgamation in the lower St. Lawrence, because I wanted to have one strong company formed and the service put in the hands of those who would put on good boats. We have had people applying for the service who had only an auxiliary schooner. We had applications from people who were not in the transportation business at all. I may say to my hon. friend that the demands the department is making on the Lower St. Lawrence Navigation Company will entail an expenditure on the existing boats of about $35,000 or $40,000, with a 50 per cent greater frequency of service. The existing boats will be scrapped next year when the new boats come on. I am told by the officers of my department who have drawn the contract that we are insisting on harder terms than were first put forward. I think my hon. friend will find that it is not a bad service.

Mr. MANION: I think the service is as good as they were getting, possibly a little better. But this company takes over the same boats. The minister says they are going to expend $30,000 or $35,000 on the boats and are going to build another boat, and on the strength of that he has tied the government up to a ten year contract by order in council. I submit it is not good business. I do not quarrel with his opinion that these companies might well amalgamate and form a stronger company; but the amalgamation simply amounts to the uniting of a couple of small companies into a bigger company using the same boats, and instead of getting $25,000 they are getting $50,000 from this government and $50,000 from the provincial government for giving practically the same service. I repeat, it is bad business. I submit it is not fair that a company that is getting $250,000, mostly from this government, should be handed another $50,000 for a service such as this under the conditions I have described.

Mr. BENNETT: What authority has this government by order in council to make a contract for a subsidy for ten years?

Mr. MALCOLM: I cannot give my hon. friend any answer as to the authority, but I know it has been the practice for a great many years.

Mr. BENNETT: What?

Mr. MALCOLM: It has been done quite often.

Mr. BENNETT: It has never been the practice in any country that I know of except by bill or ratification of the contract by parliament.

Mr. MALCOLM: My hon. friend does not appreciate the fact that all these contracts are subject to the estimates being voted yearly.

Mr. BENNETT: That is not the point. The contract was made by order in council. What authority can there be for that being done? Surely there must be some regard for legislative authority. Here is an order in council made for ten years and then an estimate is brought in. My hon. friend from Rimouski (Sir Eugène Fiset) will remember

that when he was a plain medical doctor the rafters used to ring with the talk of the way the country was being run by order in council. Surely there must be something wrong in this.

Mr. MALCOLM: I am informed by my officers that it has been the practice for many years.

Mr. BENNETT: What authority is there for making a ten year contract by order in council?

Mr. MALCOLM: The estimates have to be passed each year.

Mr. SHORT: The contract for the service between Pictou, Souris and the Magdalen islands at $50,000 was made by order in Council?

Mr. MALCOLM: They all have to be.

Mr. SHORT: That subsidy is being paid into the Eastern Trust Company to the credit of the bondholders. Those interested sold the bonds to the public of Nova Scotia on the strength of having that subsidy contract for ten years. That was the practice by this government. I do not think any other government made a contract for ten years for a subsidy of $50,000 a year and gave the parties an opportunity to go out on that guarantee and raise money to build their boats.

Mr. MANION: And pay them a year's subsidy in advance to build the boat.

Mr. BENNETT: You cannot do these things by order in council; there must be legislative authority to do it. The government get over it by saying: We do not bind ourselves for more than one year, but we fill in ten years or whatever sounds good to the person exploiting the subsidy.

Mr. MALCOLM: My hon. friend knows parliamentary procedure better than I do. But how could we do it if we did not pass an order in council?

Mr. BENNETT: By coming to this parliament.

Mr. MALCOLM: We do.

Mr. BENNETT: No, only a year after. Suppose something happens to the government?

Mr. MALCOLM: Well, if my hon. friend does not vote the money next year—

Mr. BENNETT: Then there is an action in the exchequer court for damages.

[Mr. Bennett.]

Mr. MALCOLM: There is a clause in the contract to that effect. It has been going on for years.

Mr. MANION: I move that this item be reduced by $25,000.

The CHAIRMAN: Which item?

Mr. MANION: The service between Rimouski and Matane and points no the north shore of the lower St. Lawrence, $50,000. I do not expect to carry the amendment. I am simply moving it to see if the minister will not accept it, because I believe he realizes that this deal is not fair to the people of Canada.

Mr. MALCOLM: I wish I could agree with my hon. friend, but I cannot. I am not as familiar with the item to-night as I was when the contract was made, but at that time I gave it some thought and considered that it was a fair agreement in the interests of the lower St. Lawrence development. This item is backed by the boards of trade of the whole area. I have had more representations made to me on behalf of this item by supporters of my hon. friend's party than on behalf of any other service. The item has been very carefully considered for six months, and in the face of the information I have received and the advice of my officials I could not cancel the contract. I must support the item.

Mr. MANION: My hon. friend knows very well that boards of trade will always support anything that they think will give them more service. I am not saying this in disrespect of boards of trade generally, but I have had some experience of them and I know they are very quick to pass resolutions if asked by somebody interested in getting what they represent to be a better boat service. Therefore I do not depend very much on such representations. I am not by any means suggesting that the service should be lessened; on the other hand I submit that if it is necessary the service should be carried on as well as, and better than, it is being carried on to-day. I am not opposing any measure which would give that section of the St. Lawrence a good service, because I am familiar with that part of the country and I have a very great affection for that old part of Quebec which, in my opinion, is one of the most charming parts of Canada. For that reason I would not do anything to interfere with it, but I do not know why good service could not be given for much less money under such circumstances as these.

The CHAIRMAN: Mr. Manion moves that the item relating to service between Rimouski and Matane and points on the north shore of the lower St. Lawrence be reduced by $25,000.

Amendment negatived.

Mr. SHORT: I would like to ask for information in reference to the mail service between St. John and Weymouth. In connection with this service there is a contract with the Eastern Coastal Steamship Company. It is an amalagamation of a number of companies operating many small steamers out of St. John to the bay of Fundy ports. I am told that this service is not being operated this year although there is an amount of $1,500 in the estimates for it. Can the minister give me further information in regard to it?

Mr. MALCOLM: I am informed—

Mr. SHORT: I will give a further explanation.

Mr. MALCOLM: I am informed that the boat was sunk at a time after the estimates were prepared, and the company is not prepared to go on with the service at the existing rate.

Mr. SHORT: That is not the case. The boat which operated on this service was lost last winter, and in connection with it the lives of several of her crew were lost. However, she was not operating on that service last year, nor has she operated since the Eastern Coastal Steamship Company took over the service. They were operating a very much smaller boat from Weymouth, touching at Sandy Cove, Little River and Freeport on Long Island, connecting with their larger steamer, the Keith Cann, which operated the service between St. John and Yarmouth. This was purely a freight service. They transferred their freight at Freeport to this small boat, the Wanda, and she touched at Little River, Sandy Cove and Weymouth. This year they have withdrawn that service, and the sum of $1,500 for the service which they were giving during the season of navigation was a fair sum. I think the department should insist that they carry out their contract. This is a company somewhat similiar to the company mentioned by my hon. friend; there was an amalgamation of practically all the coastal boats around the Bay of Fundy and they are getting an increased subsidy on the Keith Cann service in connection with which the ship Keith Cann operates between St. John and Yarmouth. The subsidy to that service last year was increased to $5,000, and there is no reason in the world why they cannot operate this small boat from Freeport to Weymouth, and take care of the ports which have always been served by this line. I should like an explanation.

Mr. MALCOLM: My deputy informs me that the boat which was on the service was lost.

Mr. SHORT: But the boat which did that service last year is not lost.

Mr. MALCOLM: Their contract has expired, and I am informed the contractors refuse to renew it unless they get $2,000 for the service.

Mr. SHORT: Well, the department increased the payment for the service between St. John and Yarmouth to $5,000.

Mr. MALCOLM: Several years ago.

Mr. SHORT: No, last year. It was increased last year to $5,000, and to my mind that is a very large subsidy for the service which they are giving. There is no reason why this company could not operate a small service from Freeport to Weymouth, connecting with the service running from St. John to Yarmouth and stopping at Freeport. They would give the service if the department insisted upon it, because they are receiving subsidies for every port along the bay of Fundy.

Mr. MALCOLM: I would like to get a boat to perform that service, but my deputy informs me that a boat cannot be secured.

Mr. SHORT: They have the ship Wanda which operated last year.

Mr. MALCOLM: The owners of that boat have refused to give the service for $1,500.

Mr. SHORT: Why not increase the amount?

Mr. MALCOLM: We will endeavour to get the service.

Mr. SHORT: This boat service represents the only connection that these people have with the outside world.

Mr. MALCOLM: I appreciate the need for the service.

Mr. SHORT: I think the minister should give some assurance that the service will be continued. Take $1,500 off the Yarmouth-St. John service; it was increased to $5,000 last year.

Some hon. MEMBERS: Carried.

Mr. SHORT: No, it is not carried, and it will not be carried until I have some satisfaction.

Mr. MALCOLM: I assure the hon. gentleman that I shall do my best to induce these people to put on a service at the amount voted, if I can possibly do so.

Mr. QUINN: Why is the subsidy to the service between Sydney and Bay St. Lawrence increased $7,000 while that between Halifax and Bay St. Lawrence is decreased $1,200?

Mr. MALCOLM: This subsidy was increased from $18,000 to $25,000 in consideration of two round trips a week to Bay St. Lawrence in the winter months. There was a demand that this service should be continued twice a week during the whole winter. The increased service was asked for by the fishermen and strongly supported by the Department of Fisheries, as the best fishing season is in the fall.

Mr. QUINN: The subsidy for the service between Halifax and Bay St. Lawrence has been decreased by $1,200.

Mr. MALCOLM: It is not really decreased, it is a matter of book-keeping.

Mr. BENNETT: When is the hon. gentleman going to deal with the Australian and Chinese subsidies? I have a telegram which states:

> Melville Dollar advises his company has maintained a minimum monthly service to Japan and China for over eight years associated with Coughlans, therefore in arranging for subsidy to China these Canadian firms should be protected and given opportunity to participate or tender.

That is in connection with the subsidies to service to China and Japan.

Mr. MALCOLM: That is the next item to be considered.

Item agreed to.

Mail Subsidies and Steamship Subventions

To authorize insertion after the word "Australia" in the item for British Columbia and Australia, in the schedule of the appropriation act based on the main estimates, of the words "and/or China."

Canada and British East Africa, service between, $96,250.

Charlottetown, Victoria and Holliday's wharf, service between — further amount required, $2,000.

Grand Manan and the mainland, service between—further amount required, $1,250.

Ile-aux-Coudres and Les Eboulements, service between, $2,500.

Sydney and Bay St. Lawrence, calling at way ports, service between — further amount required, $2,227.26.

[Mr. Short.]

Vancouver and the British West Indies, service between — further amount required, $13,800.—Total, $118,027.26.

Mr. MALCOLM: We simply wish to add to the description of the item the word "China" in order to give the company the option of calling at China.

Mr. BENNETT: Had you not better put in "Japan" as well?

Mr. MALCOLM: No, not Japan. This service, which has been carried on by the Australia-British Columbia Shipping Company, has been able practically to double our shipments of lumber since it has been in effect, but during the last three or four months it has been very difficult to market any lumber in Australia, and it would almost appear as though we would have to add other ports of call. I discussed this matter with the hon. member for Vancouver Centre, and he thought it advisable to put on a complete new service to China. We would like to offer to this existing service the right to make two or three calls at China as an experiment in connection with the suggestion of my hon. friend from Vancouver Centre. It is a very difficult matter at the moment to market any lumber in Australia, due to the difficulty of getting payments and also to the fact that there is about a six months' supply in Australia at present, so we are suggesting the addition of these words.

I had word from the hon. member for Vancouver Centre to-night, and probably the leader of the opposition also had word, on behalf of the Dollar line. I looked into the matter and considered it before I decided to bring this matter to the attention of the house. The Dollar line is shipping practically all American lumber to China, and they have not been taking Canadian lumber to any extent. Our desire was to get a Canadian company with British ships to take Canadian lumber in the meantime. If the experiment works out it may justify a separate service to China. The Robert Dollar line is an American service and should not interfere with this experiment.

Item agreed to.

Trade and Commerce—salaries and contingencies, $635,755.

Mr. SHORT: The minister might give us a little explanation as to the increase in this item.

Mr. MALCOLM: One of the main reasons is the increase which is noted in the statistical department, amounting to about $95,000, to provide for the new census. A large staff has to be taken on for this work, and there is a large expense in connection with stationery and machinery as well.

Item agreed to.

POST OFFICE DEPARTMENT

Post Office—outside service—salaries and allowances, $18,632,694.40.

Mail service, including mail service by air, $17,267,000.

Miscellaneous, including $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to the dependents of employees killed while on duty, such payments to be made only on the specific authority of the governor in council, $1,286,675.

Yukon Territory, $150,000.

Mr. STEWART (Leeds): Mr. Chairman, on previous occasions we have had some discussion in reference to these items and this year the Postmaster General has lumped his estimates under about three headings. Our discussion was principally in connection with the first item of salaries and allowances, and under that we discussed the question of rural mail service and other matters. I suggest that in order to make some progress we should turn to page 72, which gives these different services more in detail, and deal with the services as they are set out there. If it would suit the minister I would suggest that he deal with the item of $6,500 to provide for the payment of royalties to R. Hill, patentee and holder of patents on conveyor and distributer equipment used by the Post Office department for mail handling purposes, and make an explanation with regard to that item.

Mr. VENIOT: Before proceeding with an extensive installation of conveying and mail-handling machinery the department endeavoured to obtain standard Canadian manufactured equipment, flexible in construction and noiseless in operation. Not only have the desired results been obtained, but the installation has been completed at a saving of not less than $90,000 as compared with the cost of American stock conveyors previously purchased by the department. The work was let by public tender from time to time during the last four or five years. As regards efficiency of operation it may be mentioned that in the large postal terminal in Toronto, where the installation includes about 3,000 feet of conveyor in daily operation, there has not been a single delay due to mechanical causes since this equipment has been put in.

The use of the patents covered by this vote was obtained at a minimum charge, and the related equipment is of a type which is not duplicated elsewhere in postal work. It embodies time-saving features and so on, and the results of this system may be seen to best advantage in the Toronto postal terminal, where practically all the actual mail handling has been mechanized. The building is open for inspection.

This gentleman is not a regular employee of the department; he is a part-time employee as mechanical architect and engineer in charge of the installation of machinery in the large terminal at Toronto as well as in other large offices in Canada. Under the statute we have the power to pay a certain percentage, and I believe this payment of $6,500 is to be the only payment which will be made for the use of this invention.

Some hon. MEMBERS: Carried.

Mr. STEWART (Leeds): I will tell my hon. friends opposite that they are not going to make any speed by shouting "carried." I want some more information. Is this gentleman a civil servant?

Mr. VENIOT: He is not.

Mr. STEWART (Leeds): When was he first employed by the Post Office Department?

Mr. VENIOT: My information is about three years ago.

Mr. STEWART (Leeds): What was his salary when he entered the employ of the department?

Mr. VENIOT: $3,400.

Mr. STEWART (Leeds): And in what capacity was he employed?

Mr. VENIOT: As mechanical engineer, on a temporary basis.

Mr. STEWART (Leeds): Was that salary of $3,400 for all of his time?

Mr. VENIOT: For nearly all of his time.

Mr. STEWART (Leeds): This gentleman is a public servant receiving a salary of $3,400, occupying a position which requires him to devote his whole time to the public service?

Mr. VENIOT: He certainly is. I cannot understand the objection of the hon. gentleman.

Mr. STEWART (Leeds): I want to know if that is a fact. For what patents are these payments to be made?

Mr. VENIOT: For the use of labour saving machinery which this gentleman has invented and handed over to the postal department for use throughout Canada. This gentleman is employed on certificates renewed by the Civil Service Commission every three or four months; he is not a permanent employee.

Mr. STEWART (Leeds): Was it part of his duty to go to the United States and investigate machines of this type?

Mr. VENIOT: We have sent him to the United States.

Mr. STEWART (Leeds): I would like to have more particulars concerning these patents. Were patents obtained in the United States previous to their being obtained here?

An hon. MEMBER: It is a good machine.

Mr. STEWART (Leeds): It is a pretty good machine; it is working quite smoothly.

Mr. VENIOT: My information is that this machine or one similar to it has been patented in the United States by this gentleman. The one we have here is a machine of an improved type.

Mr. STEWART (Leeds): Were those American patents taken out since he entered the employ of the department?

Mr. VENIOT: I am not in a position to answer that.

Mr. STEWART (Leeds): I think the committee should have that information.

Mr. VENIOT: I believe they were.

Mr. STEWART (Leeds): Here is a civil servant receiving a salary for his whole time—

An hon. MEMBER: Eight hours a day.

Mr. STEWART (Leeds): —and in the course of his employment he obtained certain information through the inspection of machines in the United States which enabled him to take out a patent. It is proposed to pay him annually the sum of $6,500 as royalties upon these machines. I wonder if the committee really understands the situation. This man is paid as a civil servant. In the course of his duty he becomes familiar with certain machines patented in the United States, and he takes out certain patents while employed by this department. It is proposed to create the precedent of paying him annually, in addition to his salary and the expenses which he incurred in connection with these trips, the sum of $6,500.

[Mr. H. A. Stewart.]

Mr. VENIOT: The hon. member must realize that this man is a temporary employee. Were he a permanent employee of the department we could expropriate his patent.

Mr. CHAPLIN: That could be done now under the common law.

Mr. VENIOT: He is a temporary employee whose employment is renewed every three or four months. I contend that this man having patented machinery which saves the postal department of Canada $90,000 per year, is entitled to something for his work. Not only is he entitled morally, but he is entitled under the law which governs these matters to a certain percentage of the value placed upon his patent.

Some hon. MEMBERS: Carried.

Mr. STEWART (Leeds): No, it is not, and it will not be carried for a few minutes. Were his expenses paid during his trips to the United States?

Mr. VENIOT: No, not when he went to the United States on his own research.

Mr. STEWART (Leeds): Was his salary paid during those periods?

Mr. VENIOT: No.

Mr. STEWART (Leeds): I understood the Postmaster General to say that this man came into the employ of the department some years ago.

Mr. VENIOT: I said about three years ago.

Mr. STEWART (Leeds): And he has been there ever since.

Mr. VENIOT: No; I understand there have been times when he was not employed.

Mr. STEWART (Leeds): The hon. minister understands that to be the case.

Mr. VENIOT: I am sure.

Mr. STEWART (Leeds): I think the committee should have more information as to the actual time this man was not in the employ of the department.

The CHAIRMAN: Shall the resolution carry?

Mr. STEWART (Leeds): I have asked for additional information.

Some hon. MEMBERS: Carried.

Mr. VENIOT: I am desirous of giving all the information possible, and I do not like this calling out of "Carried, carried" when the hon. gentleman is not satisfied with the information he has received. If this item is allowed to stand I will endeavour to obtain the details for my hon. friend. Had I been made aware that the hon. gentleman was going into this question in such detail I would have had the information this evening.

Progress reported.

## SUPPLY—CONCURRENCE

The house proceeded to consider certain resolutions reported from committee of supply this day.

Resolutions reported, read the second time and concurred in.

On motion of Mr. Mackenzie King the house adjourned at 1.00 a.m. (Friday).

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# Friday, May 30, 1930

The house met at eleven o'clock.

## BANKING AND COMMERCE

Mr. G. W. McPHEE (Yorkton) presented the eighth report of the select standing committee on banking and commerce.

Mr. McPHEE moved that the report be concurred in.

Sir GEORGE PERLEY: Will the hon. member explain what the report is about?

Mr. McPHEE: On the 23rd of May, as acting chairman of the banking and commerce committee, I presented the eighth and ninth reports, which were concurred in, as will be seen by Hansard of May 23rd, but by some oversight as will be seen by reference to the votes and proceedings at page 385, the proper entry was not made on the scroll.

Motion agreed to.

## SUPPLY

### POST OFFICE DEPARTMENT

The house in committee of supply, Mr. Johnston in the chair.

Post Office—Outside Service—salaries and allowances, $18,632,694.40.

Mail service, including mail service by air, $17,267,000.

Miscellaneous, including $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties, or to the dependents of employees killed while on duty, such payments to be made only on the specific authority of the governor in council, $1,286,675.

Yukon Territory, $150,000.—Total, $37,336,369.40.



Hon. P. J. VENIOT (Postmaster General): I explained last night the reasons why this bonus was being paid to Mr. R. Hill. I think that my hon. friend from Leeds (Mr. Stewart) was under a misapprehension because if I mistake not he understood that this was to be a yearly payment. Am I correct in that?

Mr. STEWART (Leeds): I had not asked that question, but I proposed to do so.

Mr. VENIOT: It is not a yearly payment, as I think I stated last night, but a lump sum payment which carries no further responsibility for future payments. The bonus was based on a valuation of the patent rights granted to the department. Those rights are generally valued by outside parties and a percentage ranging from 5 to 7 per cent of the value may be paid as a bonus for the right of the government to use machinery of that kind.

I wish to give a brief history of this matter and especially as to the employment of Mr. Hill. I think I led the committee a little astray last night as to the number of years he had been employed. My information is that Mr. Hill came to the Post Office Department around 1924 or 1925. He was formerly employed as an efficiency man with the Civil Service Commission, filling a position equal to that of chief investigator. When the time came for changing the railway and postal facilities in the city of Toronto, which made a complete change of the railway terminals as well as the new postal terminals, Mr. Hill was invited owing to his knowledge of such matters to become connected with the Post Office Department. It was necessary at that time to employ a person who had a good scientific knowledge not only of railway terminals but postal terminals, and it was then that Mr. Hill became connected with the department. His trip to the United States was in connection with railway as well as postal terminals. He was accompanied by the chief engineers of the railways interested and other officials, and his expenses were paid by the Post Office Department. Afterwards the knowledge secured from the investigation that he made in the United States was used in connection with both railway and postal terminals in Toronto.

May I add for the information of the committee that we have to-day at Toronto the largest and most up-to-date postal terminals in the whole world, and I speak with absolute knowledge of what I am saying. To Mr. Hill is due the credit for the installation of a system in Toronto which is equalled by no other place in the world. Up to 1927 or 1928 the United States had the best postal ter-

minals in the world, Chicago and other places in the United States being looked upon as having superior facilities in that respect to any others in the world. I am glad to say that Toronto is now superior to these places, and the same system which has been adopted at the postal terminals in Toronto will be adopted also in Montreal. Montreal will be placed on a basis equal to that of Toronto. Throughout all this work Mr. Hill was the engineer or mechanical architect in connection with the laying out of these terminals. During that time he had perfected, or at least invented, machinery that was necessary in connection with the railway terminals and which could not be found in the United States. The machinery that we could have purchased in the United States would not have met the requirements at the larger postal terminals in the Dominion. Mr. Hill invented certain machinery which places Toronto on the basis I have referred to. He did not come to the postal department as a permanent employee because the salary attached to the classification by the commission did not warrant a man of his mechanical ability accepting a permanent position. Mr. Hill to-day is still a temporary employee of the department under certificates issued from time to time by the Civil Service Commission to continue him temporarily in the service as long as we need him. We will need him at least until the completion of the postal terminals in Montreal. Let me quote for my hon. friend's benefit section 17 of the Civil Service Act:

> In the absence of special authority of parliament no payment additional to the salary authorized by law shall be made to any deputy head, officer, clerk or employee permanently employed in the civil service in respect of any service rendered by him, whether in the discharge of his ordinary duties of office or of any other duties which may be imposed upon him, or which he may undertake or volunteer to discharge or otherwise perform.

It will be seen that it was not in violation of this section that Mr. Hill was granted a bonus. The bonus was granted, not for any additional services he had rendered but for the right of the department to use for all time to come the machinery which he had invented and patented both in the United States and Canada. This machinery, as I have said, is used in our postal terminals and other large offices.

Mr. HANSON: Was not this man a full time employee and were not his expenses fully paid by the department while he was working on this invention?

Mr. VENIOT: They were.

[Mr. Veniot.]

Mr. HANSON: Then he was paid for his time while doing this work.

Mr. VENIOT: No, he was not employed by the department at night. He never applied himself to developing his invention while he was on day work for the department.

Mr. HANSON: How does the minister know that?

Mr. VENIOT: From the records of the office.

Mr. HANSON: From hearsay?

Mr. VENIOT: The hon. gentleman has no right to say that. I also know it from personal contact with Mr. Hill, because I was with him at nights looking over the work he was planning out, and I was also with him when he installed the system that is now in operation in the smaller offices for the distribution of mail. So I have first hand knowledge of his work in that connection. If the hon. member for Leeds requires any further information I will endeavour to get it.

Mr. STEWART (Leeds): I want to thank the Postmaster General for the extensive explanation. However, he did not refer to the matter that I asked him especially about, namely, the particulars of the patents in respect of which this allowance is made. It appears to me perfectly clear that this is an atempt to do indirectly what legally cannot be done directly.

Mr. VENIOT: No such thing.

Mr. STEWART (Leeds): Here is a man employed by the Dominion who to all practical intents and purposes is a permanent employee. In the course of that employment and as a result of information which he obtained from inspection and examination of the machines in the department he gets a patent in some way. I am not going to question how he got it. Under ordinary circumstances if he were with a private corporation that patent, I submit, would belong to the corporation, and he would not be entitled to any extra compensation. However, the minister has decided to give him this amount. I am glad to know that it is not for more than one year. While I think it is irregular and contrary to the spirit of the act, that is all I desire to say about it.

Mr. HANSON: I was not in the house when the minister's estimates were taken up with respect to the payment of the outside service, but I read in Hansard that he had stated that rural mail carriers were now be-

ing paid at the rate of $45 per mile per annum. In this connection I desire to place on Hansard particulars of the payments made to rural mail carriers for services originating in my home city of Fredericton. These are the particulars:

| Name of Service | Contractor | Contract Price | Miles | Frequency | Price per mile per year |
|---|---|---|---|---|---|
| | | $ cts. | | | $ cts. |
| Fredericton, R.R. No. 1 | H. Fulton | 1,000 00 | 30 | Daily | 33 33 |
| " " 2 | S. Fulton | 1,045 00 | 30 | " | 34 86 |
| " " 3 | C. McConnell | 320 00 | 15 | Tri-weekly | 42 66 |
| " " 4 | J. Gourley | 1,034 75 | 32 | Daily | 32 33 |
| " " 5 | E. Ball | 1,100 00 | 32 | " | 34 40 |
| " " 6 | L. Hanson | 1,080 00 | 32 | " | 33 75 |
| " " 7 | Thos. Fulton | 655 00 | 30 | Tri-weekly | 46 61 |

This shows that the contract prices on these rural routes are away below the average suggested by the Postmaster General.

Mr. VENIOT: I do not want to get into an argument—

Mr. HANSON: I do not either, but I want to place that on record.

Mr. VENIOT: —but my hon. friend is dealing with rural mail routes, and he should distinguish between the rural mail route and the ordinary route, rural it is true, from office to office. Some of the routes mentioned by the hon. gentleman are round trips and are not what we call rural mail delivery routes, for there are only ten of those routes in the whole province of New Brunswick. I think he is referring also to the transportation from one office to another, and not to delivery along the line.

Mr. HANSON: No, I am talking about rural routes proper.

Mr. VENIOT: Until the end of last year there were only ten rural routes in the province of New Brunswick.

Mr. HANSON: There are seven rural free deliveries, and the average rate is away below $45 a month.

Mr. VENIOT: I never made the statement that the average rate was $45 a month.

Mr. HANSON: There is a misunderstanding about it, then; as a matter of fact the rate is altogether too low.

Mr. VENIOT: My hon. friend may be quite correct.

Mr. HANSON: However, I do not wish to get into discussion at this stage of the session.

Mr. KENNEDY: I would like to call the attention of the minister to the condition which exists in mail deliveries to settlers in my constituency of Peace River. I suppose it is difficult for anyone who has not been living in a new district to visualize what happens. I have no doubt however that some of the officials in the office of the minister have had communications regarding the need for post office service and mail routes in some of the new settlements.

Mr. VENIOT: What is the name of the district?

Mr. KENNEDY: There are three or four of them in the Peace River district. In connection with those districts there may be twenty-five or fifty families living from twenty to thirty miles from a post office. One applicant received the reply that it would be too expensive to supply mail routes for those localities. I will admit the roads are not paved highways, but it seems to me that when there are about fifty settlers living twenty-five miles from a post office there should be some sort of mail service. I think they have the right to expect this country to undertake development in their districts.

Mr. VENIOT: Is that in the Peace River, North Vermilion section?

Mr. KENNEDY: No, it is northwest of Fairview.

Mr. VENIOT: In the Peace River section we are considering a flying service, so that delivery may be made by air mail. Owing to the lack of roads required to reach these people the air mail is now under consideration, and I can assure my hon. friend everything within our power will be done to give service. In connection with the expenditures of this department during the last two years our object has been to give as much service as possible; I am not attempting to keep down expenditure where I find service is necessary for the welfare of the people. I can assure my hon. friend the matter will be investigated.

Mr. GEARY: Will the minister tell us if we have had the last word in regard to salaries of letter carriers? I understand there is to be a general reference to the Beatty commission in regard to all civil servants' salaries. The minister has stated that he will be willing to have the money recommended in order to make the increases. In that connection I wish to ask him if any amount has been set aside in the estimates for the projected increases in this branch.

Mr. VENIOT: No.

Mr. GEARY: Then these men will have to wait until the report of that commission is received and this house takes action.

Mr. VENIOT: I may say that it is true that the question of the salaries of this class, as well as others, has been referred to the Beatty commission and if I am not mistaken the lower paid officials will receive particular consideration, and there will be the matter of fixing a minimum salary for them. There is nothing in the present estimates which enables us to pay them for this year's work, unless the commission in its report would recommend retroaction to April 1st, 1930.

Mr. GEARY: Does the minister propose to abandon his efforts in this particular matter?

Mr. VENIOT: I certainly do not; I shall make it a point to attend to the interests of these men and if it is at all possible I shall appear before the commission.

Mr. GEARY: But that may be a matter of a year or so. I take the word of the minister that he is anxious to do something, and that he recognizes the justice of the claim made by the letter carriers. In fact he has actually stated that their requests should be acceded to. If the minister were able to convince the Civil Service Commission in regard to the necessities of this particular branch, would he now be able to provide the money?

Mr. VENIOT: Not at the present time, or through these estimates. It may be done by means of retroaction. The putting into effect of recommendations by the Beatty commission would depend upon the policy of the government holding office at that time. So far as I personally am concerned, I shall certainly stand behind what I have already attempted to do for these men.

Mr. GEARY: The minister is obliged to say that reference to the Beatty commission shuts off any possible action along other lines?

Mr. VENIOT: No.

[Mr. Veniot.]

Mr. GEARY: What other action does the minister propose to take?

Mr. VENIOT: It does not cut off action, but rather gives us more action, because the reference to the Beatty commission will be investigated and there will be a reference to the government. I feel fairly sure that from the expressions of opinion on both sides of the house in connection with this question the government will be disposed to do whatever is proper under the report of the Beatty commission.

Mr. GEARY: The minister has misunderstood me. He proposes to take no further action in regard to increasing the salaries of letter carriers, pending the report of the Beatty commission?

Mr. VENIOT: That is correct.

Mr. STEWART (Leeds): With a view to making further progress, may I suggest that the Hill matter to which we were referring is included in the item with which we are now dealing, the $5,000 for the payment of compassionate allowances. I have no objection to the passing of this item.

Mr. GEARY: There is a man by the name of Kirk with whom there has been some correspondence. He was arrested, tried and acquitted but he lost his job. In the meantime he has paid a considerable sum of money towards the superannuation fund, and he cannot get it back. He cannot receive superannuation because he is not in the service and, I suppose, never will be. Has the minister made any provision to deal with such cases as this?

Mr. VENIOT: My hon. friend drew my attention last year to the case of this man; I know he does not wish me at this time to go into the particulars of the case. Under the refund clause however this gentleman cannot receive a return of the amount of money which was coming to him. May I explain that this refund clause is under the control of the service, not of the government? The men pay 5 per cent into it; true, the government does add certain other percentages to the fund. We have to be very careful in the administration of a fund which belongs to the service, and I remember that last year I was asked the question whether I would recommend a compassionate allowance. In order to do that I would have to bring the matter before the treasury board and from the treasury board it would have to go to the council. I promised the hon. gentleman from Toronto South (Mr. Geary) that I would go into the matter, and when I did so I found that if we once opened the door we

would have to open it to hundreds of men who knew when they entered the service what the consequences would be if for cause they should lose their positions. I discovered that if we opened up this case we would have to take the same action in connection with hundreds of other cases and in this way deplete the fund which the men should have to their credit. I refrained from recomending to the government the payment of a compassionate allowance, and that is how the matter stands at the present time.

Mr. GEARY: In the courts they said the minister had no right to dismiss this man.

Mr. VENIOT: No, the courts did not find against the minister. If the hon. gentleman wishes to go into the details of that case and have them placed on Hansard we will do so, but I think for the sake of the individual himself that should not be done.

Item agreed to.

Mr. STEWART (Leeds): The next item I would suggest is the amount of $925 to provide for a telegraphic news service for the Magdalen islands during the winter months.

The CHAIRMAN: Shall the resolution carry?

Mr. STEWART (Leeds): No, Mr. Chairman; do you realize that if you carry the resolution you carry the whole thing? We are going through these items and picking out the ones that are contentious.

Mr. GARLAND (Bow River): I want to ask the Postmaster General whether he has yet applied to his department the recommendations of order in council P.C. 670, requiring the eight-hour day?

Mr. VENIOT: In reply to the hon. gentleman I may say that there is no need of applying it at the present time, because we have had it in effect for many years in the postal department in the large city offices, the classified offices.

Mr. GARLAND (Bow River): May I ask what is the practice in regard to small city offices?

Mr. VENIOT: In the small city offices, or commission offices, the salary of the postmaster is made up of pay and commission. He employs his own help.

Mr. HANSON: And the eight-hour day does not apply?

Mr. VENIOT: The hon. gentleman should possess his soul in patience; I will give the information.

Mr. HANSON: I can give the information just as well.

Mr. VENIOT: Perhaps I can give it a little better.

Mr. GARLAND (Bow River): I should like to get the information from one or the other of you two gentlemen.

Mr. VENIOT: The postmaster has the right to employ his own help, but the hours of the post office are regulated by the department, generally from about eight o'clock in the morning until eight o'clock at night. In cases where the office is open later than that overtime is allowed.

Mr. GARLAND (Bow River): In other words, do I understand that the ten hour and sometimes the twelve hour day applies to employees working in post offices under the postmasters in small city and town offices?

Mr. VENIOT: It may happen, and it may happen without our knowledge. It may also happen that the postmaster has divided off his staff, giving each so many hours during the period between eight o'clock in the morning and eight o'clock at night.

Mr. GARLAND (Bow River): In the event of the attention of the minister being directed to the fact that post office employees—and I use that term to include those who are hired by the postmaster—are in many cases working ten and twelve hours a day, will he see that the postmaster does not continue that practice?

Mr. VENIOT: I will, so far as that order in council applies.

Mr. GARLAND (Bow River): I am delighted to know that, because I was to direct the attention of the Postmaster General to the practice in the post office in the town, or rather city of Drumheller, which I am informed now is an incorporated city. In that city I am told that employees in the post office at present are working some twelve hours a day and that sanitary conditions are such that with the long work days this combination results in periodical breakdowns of many of the girls working there. One of these at least, known personally to my correspondent, has to receive medical attention from time to time, and her doctor's advice is that the frequent breakdowns are the result of the long day and the unsanitary conditions. Even though this order in council only recently has been passed I think it is a disgraceful state of affairs that this condition should be permitted to continue. Certainly the minister must have known that in many of these smaller town and

city post offices the postmasters, either with or without the knowledge of the Postmaster General but certainly with the knowledge of his department, have been employing men and women for ten hours or more a day, and in this case as I have shown, twelve hours a day. I sincerely hope the minister will keep his word and undertake to see that this practice ceases and that the eight-hour day applies to the employees of this post office.

Mr. VENIOT: This is the first time my attention has been directed to the Drumheller case.

Mr. GARLAND (Bow River): No, it is not; I mentioned the matter during the unemployment debate.

Mr. VENIOT: This is the first time my attention has been officially drawn to the Drumheller case with reference to complaints from the employees as to their hours of work. I know there is a demand for a new public building at Drumheller, but that is a matter for my colleague the Minister of Public Works to work out. However, I can assure my hon. friend that since the complaint now has been made openly in parliament it will be looked into and I will see what remedy can be applied.

Mr. LUCAS: I understand there was a revision in the salaries of the country postmasters when we adopted penny postage.

Mr. VENIOT: Yes.

Mr. LUCAS: Would the Postmaster General say how these salaries compare to-day with the salaries formerly received when we had three cent postage?

Mr. VENIOT: I do not know to what class of office the hon. gentleman refers. For instance, if it is a small country office, at that time the postmaster received $60 a year as a minimum. Since the penny postage came into effect that minimum has been raised to $100 a year.

Mr. LUCAS: I refer to the offices in the next class above that.

Mr. VENIOT: In the offices of the next class the salary of the postmasters are on a sounder basis. They receive a larger remuneration to-day, since the revision of the commissions, than was paid previous to the penny postage. Since we inaugurated the penny postage, in order to give more pay to these people we have put in a new system of commissions. We have come across several cases of apparent discrimination, but these have been ironed out, if I can use that term, as speedily as possible. In other cases where complaints of that kind were made they were carefully and immediately looked into, and lately we have been in consultation with the executive officers of the postal association throughout Canada with a view to bettering their conditions in that respect across the whole Dominion. That applies to unclassified offices, if I can use that term, offices below the city office class.

Mr. LUCAS: Do I understand from the Postmaster General that these salaries are higher to-day than they were previously.

Mr. VENIOT: Yes, the superintendent informs me that upward adjustments have been made in all these cases. There are some people who claim that their salaries are less, but my hon. friend must distinguish between salaries and allowances. In some cases the allowances are taken to mean addition to the salaries. For instance, rentals, night work and forwarding allowances would come in that class. In many instances these forwarding allowances will be reduced because the number of offices to which mail is forwarded will be diminished in number owing to the introduction of rural delivery routes. Overtime and night work will be reduced owing to changes in train conditions for the delivery of mail.

The CHAIRMAN: While it is not considered to be part of the duty of the chairman, I would point out to the committee that there are some 200 items in the main estimates, and some 100 items in the supplementaries still to be passed.

Mr. GARLAND (Bow River): Has the minister any practical way by which he could provide that all postmasters would be compelled to recommend and accept the eight-hour day for employees which they in turn hire?

Mr. VENIOT: The department will go fully into that question.

Mr. GARLAND (Bow River): Is the minister prepared to insist that some practical means be adopted to apply the eight-hour day to all employees in the department?

Mr. VENIOT: The terms under which these things are regulated by order in council will be carried out.

Mr. STEWART (Leeds): Mr. Chairman, I want to assure the committee that I desire to cooperate in getting these estimates through as soon as possible, but I would like to make a few statements regarding the air mail

service. The amount involved by this item is $1,912,000, an increase of $712,000 over the previous year.

One or two days might well be spent in the discussion of this interesting subject. I have had certain returns brought down, one of which contained 760 pages of recommendations, contracts and correspondence regarding this service. It is a most interesting file, and it, together with other information which the Postmaster General has disclosed, should receive very serious consideration. It is impossible at this late date to do justice to this matter. It am not opposed to the air mail service; in fact, I have no hesitation in saying that it is most desirable that this service should be provided in the outlying districts. However, in the thickly populated districts such as between Montreal and Toronto and Montreal and Ottawa, where two railway companies provide rapid service, I do not feel that this large expenditure is justified; the cost of the service is out of all proportion to the revenue derived. The rate fixed by order in council for air mail is 5 cents for the first ounce and 10 cents for the second, which would amount to 80 cents per pound, or, if it were all based on the higher rate, $1.60 per pound.

Mr. VENIOT: The hon. gentleman is in error there; it would amount to $2.60 per pound.

Mr. STEWART (Leeds): The return shows that the rate is 5 cents for the first and 10 cents for the second ounce.

Mr. VENIOT: There are about 50 letters to the pound.

Mr. STEWART (Leeds): There are only 16 ounces to the pound.

Mr. VENIOT: If the letter weighed only one-quarter or one-half ounce, It would pay the 5 cent rate.

Mr. STEWART (Leeds): I was taking the rates given in the return; however, I will accept the postmaster's rate of $2.60 per pound. From the information which the Postmaster General has supplied I find that the service between Montreal and Toronto cost $97,420.80 for the year under consideration. The total mail carried weighed 7,724 pounds, and this works out at a rate of $12.61 per pound. I submit that that is extravagant and out of proportion to the service rendered. The service between Montreal and St. John, via Quebec and Moncton cost $14,246.05, to carry 1,118 pounds at a cost of $12.74 per pound. The service between Montreal and Detroit cost $13.071.85 to carry 18,401 pounds at a cost of $7.45 per pound.

In going through the files I find that most of these air mail contracts have been let without public advertisement. I think there is only one case in which that practice was carried out. This is in striking contrast with the manner in which the Postmaster General deals with rural mail routes. If mail is to be carried for ten or twelve miles, the contract is put up for tender. The lowest tenderer receives a contract which would involve an expenditure of $400 or $500. An air mail service contract involving an expenditure of hundreds of thousands of dollars is let without public advertisement or tender.

Mr. VENIOT: The hon. gentleman is not quite correct in that statement.

Mr. STEWART (Leeds): The Postmaster General may make his statement after I am finished as I have no desire to enter into a controversy at the present time. Any one of these air mail contracts would be worthy of very careful study. For instance, a term is included in the contract requiring the contractor to report after each trip his revenue from passengers or other goods carried. I asked the Postmaster General what the revenue was from these different contractors and his reply is: "I have no information," although his contract with these carriers provides that on every trip they shall report the revenue in addition to carrying the mail. That has not been enforced. In some cases this provision varies. With regard to carrying the mail into the United States, there are certain services running between Montreal and Detroit and Toronto and Buffalo, and it is peculiar that the contract does not contain the provision that they are to report what they are carrying on those trips. These are all matters that would require a great deal of time to clean up, and I did desire to make a motion substantially reducing this vote and to explain in detail my reasons for so doing. I am satisfied, if I had an opportunity to do so, I could convince the committee that here has been waste; that there has been extravagance and that the public interest has not been safeguarded in connection with the air mail service. But that would take entirely too long, and I am not going to make that motion at this time.

Mr. DUPUIS: It is too long already.

Mr. STEWART (Leeds): Well, I will continue a little longer. I am going to refer, just to satisfy the hon. gentleman who has spoken, to an editorial in the Moose Jaw Evening Times of Tuesday, March 4, 1930. I under-

stand this paper is not unfriendly to the Postmaster General or to the government; in fact it is one of their supporters. I quote this editorial in part; it is long and I do not propose to read it all. In connection with one of these air mail services it states:

According to the present existing orders this will be the daily program. For some reason or other the powers that be at Ottawa have decided that the northern air mail will be flown out of Regina. That it will cost the Canadian people at a minimum at least $12,000 a year extra, makes little difference, apparently, to the individuals who regulate these things, Regina's pride and hoggishness must be catered to. The politicians have so decreed. The Postmaster General and Hon. C. A. Dunning, Minister of Finance, may be able to explain why they are willing to throw away an extra $12,000 a year on flight mileage, but to the citizens of Moose Jaw it has no other meaning than "political pull" by Regina, regardless of the cost to the people.

No other view is taken in Moose Jaw of this wasteful extravagance than that the Regina politicians have brought undue and unfair pressure to bear on the Postmaster General to order that the pivotal point in the air service must be Regina, because such an order would mean that the Western Canada Airways would have to transfer their staff of mechanics and their terminus, now at Moose Jaw, to Regina.

In the intervening months until the Regina hangar has been built and the bog which surrounds it has been surfaced in some way to keep the heavy machines from becoming mired, the planes will be flown out of Moose Jaw. There will be weeks pass, when it will be absolutely impossible to land a three ton plane on the Regina field without its becoming mired. Then some time late in the summer the field will be surfaced, if plans are carried through. For two or three months, the Regina field will be safe, and then when the snow begins to fall and drift, hard-surfaced runways or not, it will be just as dangerous as it was the past six weeks.

Premier Mackenzie King surely cannot be countenancing this barefaced robbery of the public treasury by those who for political reasons of "bringing home the bacon" are flaunting all economic argument and the opinion of their technical advisers and the desires of the contractors who are carrying the mail.

The discrimination which has been shown by the Postmaster General for political reasons in favour of Regina is most apparent. With the mail routed out of Regina, letters by air mail for Saskatoon, Battleford and Edmonton from Moose Jaw will be carried east forty miles and then back again over an equal distance over the route to Saskatoon. This duplication of flight mileage would be completely overcome, if the mail from Regina for Saskatoon, Battleford and Edmonton was carried through to Moose Jaw on the plane which arrives here at 12.10 midnight, and placed on board a plane for the northern cities at this point.

I could duplicate that with respect to other services. All I want to say, however, is that this matter must some time, sooner or later, be thoroughly investigated. In my opinion it cannot be done this session in this committee, and the only course that I suggest is that next session this matter be brought before the public accounts committee and a searching investigation be conducted in connection with all these contracts.

[Mr. H. A. Stewart.]

Mr. VENIOT: I court the fullest investigation under oath in regard to this matter. As regards the article which the hon. gentleman has read from the press, it is in reference to a row between Regina and Moose Jaw as to where the plane should land. The Post Office Department has nothing whatever to do with the matter. There is absolutely no duplication for which we are paying. Our contract is clear and distinct. I hope when the elections are over and we come back to this side of the house, my hon. friend will be returned if for no other purpose than to institute this investigation. I court it.

Mr. STEWART (Leeds): Those are very like words that the Postmaster General has thrown out on previous occasions, and the investigations, when they were finished, showed that he was not justified in making the challenge. We found him wanting. Civil service discharges and refusals were investigated and it was found that the Postmaster General was openly defying the provisions of the Civil Service Act.

Mr. VENIOT: We have discussed that before.

Mr. STEWART (Leeds): Well, we are prepared to discuss it again if the Postmaster General wants that.

Mr. VENIOT: Not necessarily now.

Mr. STEWART (Leeds): I have endeavoured to be reasonable and moderate in my presentation.

Mr. VENIOT: Yes, but my hon. friend issued a challenge for an investigation and I accepted it.

Mr. MANION: But the trouble is that the hon. gentleman will not be in his present position then.

Mr. VENIOT: I will, and nobody else can refuse an investigation.

Mr. STEWART (Leeds): The hon. gentleman knows very well he will not be in a position to accept it. This is just an effort to get by. That, however, is the situation. As I say, I have not nearly exhausted this subject and when it is all investigated, the file I have under my hand will make a very interesting disclosure.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Railways and Canals—chargeable to capital —Canadian Government Railways: To provide additional car ferry, and facilities for car ferry service, between the mainland and Prince Edward Island (revote, $2,000,000), $2,500,000.

Mr. MANION: Who gets the subsidy for that ferry?

Hon. T. A. CRERAR (Minister of Railways and Canals): There is no subsidy. It is a government car ferry.

Mr. MANION: There is a subsidized ferry running across there, and I thought this was it.

Mr. MACDONALD (Kings)): When will that ferry be in operation?

Mr. CRERAR: The contract has been let for the car ferry, and it is to be completed in July, 1931. I expect that it will be in service immediately after that.

Item agreed to.

Hudson Bay railway and terminals: Construction and betterments, including E. B. Jost at $2,500, $5,900,000.

Mr. MANION: I think the minister should make a statement in regard to the conditions up there.

Mr. CRERAR: The question is a perfectly proper one; I had intended to do that. This vote is for the purpose of carrying on the work that has been going on during the past two years at Fort Churchill in the construction of terminal facilities, and to enable us to complete the ballasting on the Hudson Bay railway line from The Pas to Fort Churchill. The amount is divided approximately thus: $1,900,000 for railway purposes, and $3,500,000 for the terminals at Fort Churchill. The railway expenditure involves the building of section houses and some stations, but mainly it is for the ballasting of the line. The work at Fort Churchill is for the construction of the new grain elevator, for dredging and for building docks and also for bringing in a water supply to the town.

Mr. MANION: What are the prospects as to the first use of the line?

Mr. CRERAR: It is not intended to open the Hudson Bay railway for commercial traffic before the autumn of 1931. By that time the docking facilities will have been completed, the grain elevator will have been completed, and sufficient dredging done to let the sea-going vessels come into the dock. My deputy now advises me that the docking facilities will not quite be completed at that time.

Mr. MANION: Before the autumn of 1931?

Mr. CRERAR: Yes.

Mr. MANION: Unless it is fairly early in the autumn, it would not be of any use until 1932; is not that right?

Mr. CRERAR: The elevator is expected to be finished early in September, 1931, or before, with facilities for the shipment of grain. Dredging sufficient to allow the boats to get in will also have been done.

Mr. MANION: It was for this elevator that Carter, Halls and Aldinger got the contract the other day, was it not?

Mr. CRERAR: Yes.

Mr. BENNETT: I have suffered a great deal from misrepresentation by hon. gentlemen opposite in connection with the Hudson Bay railway, and the opportunity is now afforded to enable me to make a statement, which I propose to do.

Mr. CRERAR: Frankly I do not think I have ever said a word anywhere about the hon. gentleman's position on the Hudson Bay railway. Someone else may have done so, but I have not.

Mr. BENNETT: It is very gratifying to hear the minister make that statement. I had not the minister in mind; I was using the word in the plural not the singular, but I am grateful to him for that statement.

Last year when this item was under consideration we were discussing expenditures by day's work for the completion of the railway to Port Nelson, and I was attacked that evening just at the close of the session. Telegrams were sent out that I was endeavouring to prevent the completion of the Hudson Bay railway. The hon. member for Winnipeg South Centre (Mr. Thorson) was very solicitous about the welfare of his party. I came into this house in 1911, having lived in western Canada for some few years prior to that—a very considerable number of years as life is measured. I had heard of the Hudson Bay railway from the day I went there. It was common knowledge that on one occasion some forty odd years ago a telegram was referred to in a public meeting to the effect that the rails were on the sea to construct this line to the bay. In 1911, I was privileged to move the address in reply to the speech from the throne, and on that occasion I took the trouble to state my position with respect to the Hudson Bay railway, and although it may be rather late to do this I feel that I should present the matter as fairly as possible and indicate that at that time I was most anxious that the road should be completed. Without reading from the pages of Hansard, I said that the policy of the party was that the road

should be completed at as early a date as possible. The contract which had been awarded for a portion of the road had not been proceeded with very far at the time of the election in 1911. The late Hon. Frank Cochrane, as Minister of Railways and Canals, took the matter actively in hand, construction was pushed forward, and strange as it may sound to this house, the railroad was completed within 92 miles of Port Nelson at the time the Liberal government came into power in 1921, so that ten years ago next fall the railroad was completed to within almost 92 miles of the bay. During the war the railway fell into a state of disrepair, but no action was taken to remedy that until 1925 or 1926. In the meantime the minister will perhaps recall that while he was a member of the Union government the matter was under discussion, but it was felt that conditions in the country did not warrant active steps being taken; but after the Liberal government came into power in 1921 the Progressive group, as the minister will recall, was most insistent that action should be taken, and while no vote was taken in this house it will be found that in 1923 the government of the day declined to take any action towards completing the road. The reasons given were that the conditions did not warrant the expenditure at that time. Apparently at that moment the present Minister of Railways and Canals himself shared that view. In 1926 the present Minister of Finance became Minister of Railways, and at the session of 1926, this matter was discussed at considerable length. The discussion will be found in Hansard of June 8 and June 9, 1926. The then Minister of Railways was asking for a grant to rehabilitate the road, and at pages 4191 and 4192 of Hansard, he said:

I do not want to complicate this particular vote—

That is the vote for rehabilitation:

—because there will be a discussion of that later, but I think probably it would be as well to have all the information on Hansard.

It is estimated that it will cost $6,153,000 to complete the railway. It is estimated that the harbour works at Port Nelson, including elevator accommodation to the extent of 4,000,000 bushels—I would ask my hon. friend to bear in mind that that is not yet decided upon, but the estimate does include provision for it—with accommodation in the harbour for ten ships at the same time, will cost $20,200,000.

And on page 4192 Mr. Dunning said:

Now, in connection with these figures I want it distinctly understood that I am not committing the government to this expenditure. I anticipated being asked a question as to what the engineering estimates were with respect to the completion of the terminal at Port Nelson. I want, in this connection, to revert to my previous statement: It is the policy of the government to complete this route as economically as possible in order to enable a fair trial of it to be made. While I have carefully gone over the figure with respect to the vote which is now before the committee and have carefully gone over the figures with respect to the cost of completing the 92 miles of railway, I cannot say that it has been possible to do the same thing with reference to the estimated cost of the work at Nelson.

Then on page 4193 in reply to a question, Mr. Dunning said:

Now we understand each other. My point is that so far as the testing of the route is concerned it is something which has been a matter of repeated discussion and repeated investigation from a theoretical point of view, for the last forty years.

There is further discussion of the cost for the completion of the terminals at Port Nelson, and in the end this is what was said by the then minister as reported at page 4194:

It must be quite apparent to my hon. friend that investigation is required before one can determine precisely the aids to navigation which are needed. Previous information on the subject does not lead me to believe that any considerable expenditure will be necessary in connection with lighthouses and things of that sort through the strait, and the bay is open sea. Provision is made in the estimates which I have just dealt with for a lighthouse at the entrance to Nelson channel. There are related questions upon which I could give general information in a little time. I thought there would be a more or less general discussion which would give me an opportunity of feeding the information more gradually than I have been able to do so far.

The discussion was somewhat lengthy having regard to what the minister said, that is, that he was not then undertaking to complete the 92 miles to the bay but to rehabilitate the existing railway which terminated, I think, at mileage 332, although a part of the roadbed was constructed beyond that point. That is, he asked only for a grant for rehabilitation and he made a statement to the house, as I have read, indicating what would be necessary to complete the railway and the terminals at Port Nelson. In that regard it is important also to observe that that very day he was asked whether or not there was any intention on the part of the government to shift the terminals from Port Nelson to any other point, and he replied that such was not the intention of the government at that time. So that in June, 1926, the government had seen no reason to change the proposed terminals from Port Nelson to Fort Churchill or elsewhere; and in the spring of 1926, after the government had been in power for some years, the undertaking had not been proceeded with beyond the effort made in June to secure

the necessary capital to rehabilitate the road as constructed to within 92 miles of the bay.

In succeeding years appropriations were granted by parliament to complete the road, but before the road was completed the minister, on the advice of Mr. Palmer, changed the terminus from Port Nelson to Fort Churchill. In that regard the Right Hon. Mr. Graham, the former Minister of Railways, in another chamber indicated that on the report of the engineers it was decided to make Nelson the terminal before his government went out of power in 1911, and that when Mr. Cochrane after a personal visit to Port Nelson and Fort Churchill concluded that the terminus should be at Port Nelson, he did so on the reports of the engineers of his department. That is common ground, both from the observations made by Mr. Graham in the Senate and from the statements made in this chamber by the then Minister of Railways and Canals, Mr. Cochrane. So that the terminus selected by both parties on the report of the engineers of the department was Port Nelson up to 1926, when the now Minister of Finance stated the government had no intention at the moment to change the terminus.

At a later date, in consequence of investigations made by the government, the terminals at Port Nelson were abandoned on the report of Mr. Palmer, and the work on terminals at Fort Churchill was commenced.

Now, it must be abundantly clear that there is nothing upon the records of this house to which any member can point that at any time there has been any inclination on my part or on the part of anyone else to do other than the very thing the government itself said it desired to do—to investigate before acting. It was in consequence of that very policy being pursued that the terminus was changed from Port Nelson to Fort Churchill, for had the minister proceeded without further investigation and carried out the declared policy of the government in 1926, the terminus would have been Port Nelson and not Fort Churchill. But because the minister desired in the light of the information he had received that further opportunity should be afforded for investigation, that investigation did take place and the terminus was changed to Fort Churchill, with the consequent abandonment of the terminals that had been constructed at Port Nelson. The expenditures on those terminals, as the minister pointed out last session, amounted to a very considerable sum, $6,000,000. Those expenditures had been made largely by the hon. gentleman's predecessors in office, acting under the authority of this parliament, with money that had been appropriated for the purpose by the House of Commons and Senate of Canada.

Now, it is quite clear—let there be no misunderstanding about it—that the terminus at Port Nelson was selected, alike by Liberal and Conservative governments, on the recommendation of the engineers of the department.

Mr. DUNNING: No.

Mr. BENNETT: The hon. gentleman says "No." His predecessor as Minister of Railways and Canals, Mr. Graham, said so in the Senate, whatever importance may be attached to his statement.

Mr. DUNNING: There is a very slight difference. The selection was not made until after the Conservative government came in in 1911, but in this house the Right Hon. Mr. Graham stated on a subsequent occasion that the engineers' reports at the time he left office indicated that Port Nelson should be the place. That is the fact of the matter.

Mr. BENNETT: Quite so, and so far as he was concerned Port Nelson was the place.

Mr. DUNNING: Yes, he said that.

Mr. BENNETT: That is, so far as the Liberal administration was concerned, Mr. Graham had determined that Port Nelson should be the terminus. The result of the election was that the actual choice had to be made by the successors of the Liberal government on the same reports that were before Mr. Graham, and upon which he was prepared to act.

Mr. DUNNING: That is hardly correct, because after Mr. Cochrane came into office—

Mr. BENNETT: He made a trip there.

Mr. DUNNING: Yes, and further engineering reports were made.

Mr. BENNETT: Yes, on the same reports, supplemented by personal investigation by Mr. Cochrane, and on further engineering reports.

Mr. DUNNING: Yes.

Mr. BENNETT: So up to this point hon. members when they go out on the hustings in western Canada must realize—

Mr. VALLANCE: Hear, hear.

Mr. BENNETT: There is one who would be only too glad to misrepresent the facts, I take it.

Some hon. MEMBERS: Order.

Mr. VALLANCE: I rise to a point of order, Mr. Chairman. The hon. gentleman accuses some of us of wanting to misrepresent the facts on the hustings. I ask that he retract that statement.

Mr. BENNETT: The hon. gentleman said "Hear, hear" to my statement; that is exactly what he wanted to do, he wanted to misrepresent the facts.

Mr. VALLANCE: You said this would be the issue in Saskatchewan and I said "Hear, hear."

Mr. BENNETT: No, I never mentioned Saskatchewan. I said hon. gentleman would be only too glad to go out on the platform and make misrepresentations, and the hon. gentleman said "Hear, hear."

Mr. VALLANCE: No.

The CHAIRMAN (Sir Eugène Fiset): The hon. gentleman said that one member here present would be glad to misrepresent the facts.

Mr. BENNETT: No, Mr. Chairman. The hon. gentleman said "Hear, hear" and I said "There is one of them." If the hon. gentleman says he is not one of them, I accept his statement that it does not apply to him, and I am very glad to have this expression of repentance on his part. Perhaps no one in this house has been more misrepresented than I have in connection with the Hudson Bay railway. I shall take the sequence of events. What happened was that in 1912 the terminal having been agreed upon by both parties—mark you, 15 years after that and after an expenditure of about $6,000,000 had been made on the Nelson terminal—

Mr. DUNNING: My hon. friend is missing one important feature in the sequence.

Mr. BENNETT: The war?

Mr. DUNNING: No.

Mr. BENNETT: Well, what is it?

Mr. DUNNING: The Senate investigation.

Mr. BENNETT: Oh yes, there was a Senate investigation.

Mr. DUNNING: And a very important investigation, too.

Mr. BENNETT: There was an investigation by the Senate, but I do not think it was of any importance in determining where the terminal should be.

Mr. DUNNING: Oh yes. On that particular point I assure my hon. friend that that is correct.

[Mr. Bennett.]

Mr. BENNETT: On the statement of the minister, I attributed the change to the report of Mr. Palmer.

Mr. DUNNING: May I be allowed to explain? The Senate committee made a very thorough inquiry into the matter and strongly recommended that no further work should be done pending a further investigation of the comparative merits of the two ports.

Mr. BENNETT: Quite so.

Mr. DUNNING: And a great deal of evidence came out before the Senate committee which had not previously been available to anybody.

Mr. BENNETT: I thank the Minister of Finance for reminding me at this point of the Senate committee. I had not intended to refer to it until later, but it serves my purpose to refer to it now. Between 1911 and 1926 a select committee of the Senate had investigated this matter.

Mr. DUNNING: And work had stopped in the meantime.

Mr. BENNETT: In consequence of the war work had stopped, although it is fair to say at this point that my hon. friends to the left had very strongly urged that the work should be proceeded with during the sessions which followed the session of 1921; I think that point is clear. Shall we say, then, in consequence of the Senate report the then Minister of Railways retained the services of Mr. Palmer, and Mr. Palmer recommended that the terminal port be Churchill and not Nelson; the result is that the road is now completed with Churchill as its terminus, Nelson having been abandoned. That seems to be complete so far as that part of the operation is concerned.

My point is that in consequence of the action taken by the minister, whether it followed upon the report of the Senate committee or the general disposition of the government to investigate matters further, in 1926 the government was committed to Nelson. The minister was asked directly whether or not any other port was in mind and he answered positively and definitely that he had in mind no other port but Nelson.

Mr. DUNNING: Will my hon. friend read it?

Mr. BENNETT: Yes; I shall have to turn it up. I have before me Hansard of June 8,

1926, and I find that at page 4193 Mr. Rogers asked the Minister of Finance, who was then Minister of Railways:

Mr. Rogers: My hon. friend spoke of "this particular port." Has he in mind any other port?
Mr. Dunning: I may as well settle that question right now.
Mr. Lapointe: Trouble maker.
Mr. Dunning: The government has no intention of changing to any other port at the present time.

Mr. DUNNING: That is right.

Mr. VALLANCE: May I ask a question? At the time that the railroad was being built presumably to Nelson, was the hon. gentleman in favour of the construction of the Hudson Bay railway?

Mr. BENNETT: If the hon. gentleman has ears to hear he will probably have heard what I said with regard to the statement of my position when I came to this house in 1911, and moved the address in reply to the speech from the throne. My utterances on that occasion were in the strongest and most emphatic terms. In 1926, in consequence of the very factors to which the hon. gentleman referred, I ventured to point out in this house that I was not favouring without an investigation the further extension beyond mileage 332. The other night the hon. member for Yorkton (Mr. McPhee) referred to my stand, and other hon. gentlemen in and out of this house have referred to my views. What I was doing was to place upon Hansard my views that the then government was well advised to take the course advocated by the minister to make investigations which were made with respect to the enterprise, following, as he said—and this is where I propose to speak of it—the investigation that took place in the Senate. I am not informed that much new information was afforded by reason of that investigation. The minister has stated that new information was unfolded, and I am prepared to accept his statement. However my first speech in this house in 1911 was in favour of the Hudson Bay railway, and that is before the hon. gentleman (Mr. Vallance) was in this house.

Mr. VALLANCE: But in 1926 you changed your mind.

Mr. BENNETT: No, I have not changed my mind at all. The hon. gentleman might as well read my statement from Hansard; it would be better to do so here than on the hustings.

Mr. VALLANCE: Page 4293 of Hansard, 1926 records the hon. gentleman as follows:

But from the information I have I could not under any circumstances vote to extend the railway a single foot beyond the present end of steel. I could not vote to send the railway to Nelson.

That is the statement of the hon. gentleman as it appears in Hansard.

Mr. BENNETT: That is exactly what the minister has stated, only his statement was a little stronger than mine. He said the government had no intention of changing from Nelson.

Mr. DUNNING: At that present time.

Mr. BENNETT: And it was in consequence of the very factors to which the minister has referred that I stood in the House of Commons and said I was not prepared to do the very thing the minister said he would not do, namely to go beyond that mile until he had further information. The hon. gentleman says the decision of the Senate committee warranted his opinion. My opinion was based upon that and one other consideration to which I shall presently refer. I knew nothing of these ports. I did however know the late Minister of Railways very well, I was a supporter of his administration, and I had a report of the visit he made that summer to the Hudson bay. Although he had one artificial limb he visited the bay for the purpose of determining what action should be taken in the light of his personal observation. He took with him the necessary engineers and suffered much inconvenience on the trip. Upon his return he made a report, and as a result of the report construction of the road to Nelson was continued. In 1926 my hon. friend the present Minister of Finance was not prepared to change the opinion of the government as expressed by the expenditure of the money in question on the report of the engineers. In the succeeding year however the minister took the opinion of Mr. Palmer and Churchill was selected as the terminus. May I point out that but for the pause and investigation the road would have been finished through to Nelson, but because the minister saw fit to stop to investigate the road was not finished. This is exactly what I said I thought should be done, as the member has now read and which statement has been read from time to time in this house detached from its context in the endeavour to make it appear that I have been opposed to this enterprise, which attitude I know will not succeed as far as the country in which I live is concerned.

When I went west the Hudson Bay railway was one of the few undertakings which I thought would be of incalculable value to

western Canada, if the prophecies of those who had to do with it materialized. I was anxious that before spending money, especially after the war, there should be a full investigation. The minister himself took that view, and as a result and in consequence of the investigations made following the attitude he had taken, the terminus was changed from Nelson to Churchill and Nelson was abandoned. There are the events; "he that runs may read" and he who desires not to mislead cannot state it otherwise. It is a little longer distance from the end of the steel to Churchill than to Nelson and in 1927 the government began to construct the road to Churchill; since that time it will be found that no voice has been raised against it. It has been criticized by some as still not being the sounder choice; there are some people who still believe that in the end Nelson will be regarded as the better port. That is a matter of expert opinion about which I offer no view, but the minister has accepted the opinion of Mr. Palmer, and Mr. Palmer's opinion having been taken and he being an eminent man, you will observe there has been no questioning of it and the construction has proceeded with the unanimous support of this House of Commons. No voice of which I know has been raised against it, and I have heard no objection from any quarter. After the minister stopped work and went forward with his investigations—

Mr. DUNNING: No, work was not stopped.

Mr. BENNETT: Yes, beyond the end of steel.

Mr. DUNNING: No, my hon. friend forgets that no work had been done for years. Work on the railway which was necessary in order to reach this terminus at mile 332 continued all the time. There was no stoppage of work.

Mr. BENNETT: That is rehabilitation, and I was talking about work. The hon. gentleman must have known that. Construction is not rehabilitation.

Mr. DUNNING: But you could not do any construction until you rehabilitated the road.

Mr. BENNETT: I am pointing out that no reconstruction took place beyond mile 332 towards Port Nelson, because although in 1926 the hon. gentleman said the government still believed in Nelson, after that he thought it desirable to make further investigations and in consequence of his desire to make the investigations the construction towards Nelson was not carried on nor was the work of construction beyond mile 332 commenced or carried on until after Churchill had been selected instead of Nelson. I have just given the grounds upon which these conclusions were reached, because the government had made up its mind that it was desirable to have another opinion and they obtained that other opinion. The gentleman whose opinion was secured was put forward as a man of such eminence that the government felt itself warranted in abandoning Nelson, where an expenditure of $6,000,000 had been made and accepted Churchill, it being a little greater distance than it was to Nelson, from the end of steel. So Churchill is the terminal.

From that moment this house has given unanimous support, without objection on the part of anyone, to the pushing forward of that work with all possible speed, and every member who sits on this side of the house has been a party to the work being expedited in every possible way by the granting of money for that purpose. Now, will the hon. gentleman name one member who has made any objection to that.

Mr. VALLANCE: Out on the hustings.

Mr. BENNETT: I said in this house; I am talking about debates in the house.

Mr. VALLANCE: You were referring to statements we might make on the hustings.

Mr. BENNETT: I am referring to statements made in this house, and I shall come to the hustings in just a moment and give the details in that regard. Will the hon. gentleman name any member of the party which sits to the left of Mr. Speaker who has raised a single objection in this house with regard to the expenditures in connection with this work?

Mr. VALLANCE: Some of those who did were left at home.

Mr. BENNETT: Name one.

Mr. VALLANCE: Donald Sutherland, with Harry Mullins sitting on the same platform with him and allowing it to go across.

Mr. BENNETT: Hon. Donald Sutherland has not been in this house since 1926.

Mr. VALLANCE: But he was running in that campaign.

Mr. BENNETT: Yes, in 1926; he was defeated in the election of 1926. Just exactly what Mr. Mullins sitting on a platform had to do with the Hon. Donald Sutherland in North Oxford is a matter which might be somewhat difficult to explain. That is the

sort of politics in which the hon. gentleman indulges; if you sit on the platform with someone who makes a speech, thereby you are supporting that speech. The hon. gentleman, I doubt not, has gone to church, but it does not follow that because he did not get up and go out he believed everything the preacher said. However, his theory is that if you sit on a political platform where you may be invited, you are responsible for everything that is said.

Mr. VALLANCE: I think I would at least assume the responsibility of getting up and saying I did not agree with what the other man said, rather than sit complacently by and allow it to be put across.

Mr. BENNETT: There are various views as to manners; the manners of some people would induce them not to endeavour to break up a meeting by making a statement of that kind.

Mr. VALLANCE: Both gentlemen were speakers at the meeting that night, and Harry Mullins had the opportunity to contradict the statement.

Mr. BENNETT: Well, if Mr. Mullins did not contradict what Mr. Sutherland said it afforded an opportunity to the hon. gentleman to talk about something far removed from the merits of the transaction. That is all; that is the only benefit I can see accruing to him.

Now, let us proceed one step further. Since that time the government has been responsible for the enterprise. They commenced in 1926 and this is 1930. In 1926 the Minister of Finance, then Minister of Railways, was going to push this work through with the utmost expedition. He secured definite opinions from others before he proceeded to carry on his undertaking, and the result is that in 1930 we are advised that this work is not to be finished for commercial purposes until 1931. In other words, five years will have elapsed during the construction of less than 100 miles of railway to Churchill.

Mr. CRERAR: That is not correct.

Mr. BENNETT: To make it commercially available.

Mr. CRERAR: No, the railway is constructed, and has been for some time.

Mr. BENNETT: But it is not available as such.

Mr. CRERAR: Yes, it is; what I had reference to were the port facilities.

Mr. BENNETT: We will come to that. My hon. friend says the railway is completed and is available to run trains over and that he is talking about the port facilities. Well, this government came into power in 1922, eight years ago, committed to the building of the Hudson Bay Railway. They have not been able to build less than 100 miles of railway and establish terminals in that time. That is the story.

Mr. DUNNING: No, it is not.

Mr. BENNETT: What is it?

Mr. DUNNING: My hon. friend's mileage is wrong.

Mr. BENNETT: Is it less than 100 miles from the end of steel to Churchill?

Mr. DUNNING: It is from mile 332 to mile 511.

Mr. BENNETT: How far was it from the end of steel to Nelson?

Mr. DUNNING: It was 92 miles, I think.

Mr. BENNETT: That was the figure given in Hansard, and how far was it from the end of steel to Churchill?

Mr. ROSS (Moose Jaw): It was 180 miles.

Mr. DUNNING: The difference between 511 and 332.

Mr. BENNETT: That is 179 miles, so the statement I have just made should be corrected.

Mr. DUNNING: And the whole 332 miles had to be rebuilt.

Mr. BENNETT: I have already dealt with the question of rehabilitation. The reconstruction of 332 miles of road is not such a tremendous task as the minister would have us believe.

Mr. DUNNING: In that country it is.

Mr. BENNETT: I thought it was a fine country.

Mr. DUNNING: No, the greater part of the road is constructed through muskeg.

Mr. BENNETT: The greater part of the road is constructed through muskeg, so the minister tells me now. As yet I have not been over that road, so I accept that statement that muskeg it is. I have looked at a great many photographs of the line up there, and some of the country I thought from the observations of the hon. member for South Battleford was country where wheat grew all the year round.

Mr. VALLANCE: You never heard me say that. I want the leader of the opposition to retract that statement, because he never heard

me make such a statement at all. Just because of the position held by the hon. gentleman in this house he tried to ridicule some of us from Saskatchewan, but I for one do not propose to allow him to do so. He cannot bulldoze me, either on the hustings or in this house, and I tell him so now.

Mr. BENNETT: If the hon. gentleman would exhibit a little more light and a little less heat I think it would be desirable.

Mr. VALLANCE: You need somebody to talk to you.

Mr. BENNETT: I do not see any reason why the hon. gentleman should get so angry.

Mr. VALLANCE: I am not angry; it is righteous indignation.

Mr. BENNETT: I think, Mr. Chairman, there is no doubt about it being indignation, but there might be some difference of opinion as to the quality of that indignation. At any rate, I was not endeavouring to heap ridicule upon the hon. gentleman; I was only endeavouring to show how ridiculous some of his statements have been.

Mr. DUNNING: But he said he did not make the statement which you attributed to him.

Mr. BENNETT: Oh, I see.

Mr. VALLANCE: I would like to invite the hon. gentleman to enter into a debate in South Battleford in order to see how much ridicule he could bring down upon himself.

Mr. BENNETT: The hon. gentleman is always very brave at a distance.

Mr. VALLANCE: I am inviting you right to my home; that is as near as I can get.

Mr. BENNETT: With equal force, I might invite my hon. friend to come to Calgary or one of various other ridings in the country which I have to visit.

Mr. VALLANCE: I would be glad to go.

Mr. BENNETT: I am sure that my hon. friend's presence would be welcome, but by that time his righteous indignation probably would be cooled off. That is not a commodity in great demand in that locality.

It will be recalled also that at a celebrated meeting held in Prince Albert the Prime Minister of this country put the building of the Hudson Bay railway upon a very high plane indeed, when he said: Give me members and I will give you miles. All you had to do was to increase the number of members and you would receive an increased number of miles.

[Mr. Vallance.]

An hon. MEMBER: It worked out all right.

Mr. BENNETT: The hon. gentleman says that it worked out all right.

Mr. MACKENZIE KING: I never made any statement of that kind at any time or at any place.

Mr. BENNETT: After recess I will bring the statement made by the right hon. gentleman, as reported, and read it to the committee.

Mr. MACKENZIE KING: You might tell us at the same time who the reporter was.

Mr. BENNETT: The right hon. gentleman took his own reporters with him on these trips. It was the reporters who were with him who made the report of the meeting at Prince Albert. Presumably the report was accurate for those who accepted his hospitality would certainly not be so unworthy as improperly to report his meeting. After lunch I will put this matter on record.

I intend to deal with this Hudson Bay matter even if the house does not adjourn in time for an election on July 28th; do not make any mistake about that. Men have been going around the country denouncing the leader of the opposition for the attitude which he took. I will deal presently with the hon. member for Yorkton (Mr. McPhee), and the reference he made in his speech of the other evening to Mr. Clarence Graham. I will refer to the report of the speech of the Prime Minister so that there may be no question as to its accuracy.

It will be recalled that there was a meeting at Portage la Prairie, at which I was present. The presiding officer at that meeting was Mayor Burns of Portage la Prairie, who is now a candidate in the interests of the Conservative party. Upon the platform was Mr. R. C. Anderson, of Winnipeg. The government always has regarded that gentleman as being of great worth. He is president of the street railway company in Winnipeg and is interested in the electrical power development in that district, so no complaint can be made about him. The newspaper correspondents were supposed to be present. One of them met with an accident and could not get to the meeting. The next day I read in the Winnipeg Free Press a report indicating that I had made a pronouncement against both the Hudson Bay railway and the views of my leader. It took a long time and the expenditure of some time and money, but every newspaper in Canada which had carried that report subsequently carried a retraction.

Mr. MANION: But after the elections.

Mr. BENNETT: But after the elections, after the injury had been done and after the effort to induce the people to believe that I had made a statement against the Hudson Bay railway had been successful. A radio installation had been made for the meeting and what I said had been heard in Winnipeg and various other parts of the west. I took the trouble to obtain the names of reputable witnesses who could vouch for what I had said, and I armed myself with everything which would be necessary in a court of law to secure the vindication to which I was entitled. The result was that the Canadian Press sent to every one of its newspapers a retraction of the statement which had been made with respect to that meeting. However, that did no good so far as the elections were concerned; they had been held. Despite the fact that Mr. Anderson had gone to Winnipeg and made a statement as to what I did say, the retraction was not made early enough to effect a redress of the injury which had been done.

In the northern part of Manitoba, where Mr. Myers was running as a candidate against Mr. Bird, the misrepresentation as to what I had said was received by means of the circulation of a dodger containing the report which appeared in the Winnipeg Free Press, a report wholly false and certainly maliciously prepared.

What occurred at that meeting was this: I read from a statement which had been made by the Right Hon. Arthur Meighen, my leader. I read that statement without comment, word for word, because I realized that it was essential that I should not be subject to adverse criticism in connection with a matter about which so many people were interested and asking questions. Reading from that statement, in the exact words in which it had been made, I made my address at Portage la Prairie. The sequel shows the means resorted to in the midst of an election to endeavour to create a false impression.

I cannot refer to a past debate, but the remarks of the hon. member for Yorkton the other evening appear in Hansard and they leave the impression that Mr. Bury of East Edmonton had felt that in 1926 I was opposed to the construction of the Hudson Bay railway. This reference to Hansard will show that the minister himself proposed to go on to Nelson, the rehabilitation having been completed. Neither he nor the government had changed their attitude, but in consequence of further information—



Mr. DUNNING: The minister did not state that he proposed to go on to Nelson; he was then asking for certain money to rehabilitate the existing mileage.

Mr. BENNETT: The hon. gentleman is becoming the champion hair splitter of the country. As reported on page 4193 of Hansard of 1926, he said:

> The government has no intention of changing to another port at the present time.

Mr. DUNNING: At the present time.

Mr. BENNETT: Then the minister had in the back of his mind the idea of making a change at some other time.

Mr. DUNNING: My hon. friend could, if he wished to, quote the terms in which I presented the vote.

Mr. BENNETT: I will read it again:

> Mr. Rogers: My hon. friend spoke of "this particular port." Has he in mind any other port?
>
> Mr. Dunning: I may as well settle that question right now.
>
> Mr. Lapointe: Trouble maker.
>
> Mr. Dunning: The government has no intention of changing to another port at the present time.

Mr. DUNNING: At the present time.

Mr. BENNETT: I would point out to the hon. member for Yorkton that the minister himself permitted a delay for the purpose of having an investigation made by Mr. Palmer, partly in consequence of the Senate investigation, which had been made prior to the time of the minister's statement.

Mr. McPHEE: The question under consideration in 1926 was the expenditure of $3,000,000 for rehabilitating the road, and the question of a port was not being considered.

Mr. BENNETT: I wonder if the hon. gentleman realizes what he said the other day? I said at that time that we were in favour of the vote for rehabilitation but I was not prepared, without further information, to vote money to go beyond the end of steel. The minister said that it was not intended to do that, and he said that what he proposed to do and in fact what he did do, was to carry on investigations which ultimately resulted in the road being constructed to Fort Churchill, a distance of 180 miles, as against 92 miles to Nelson. That is the story. It being almost one o'clock, I will, when the house resumes, read from my files the record with respect to

the Hudson Bay speech of the Prime Minister whom I do not intend to misrepresent in any sense of the word. I intend to rely on the report given by the press at that time. That is the position with respect to Hudson bay and I challenge any member to contradict successfully that narrative of the facts in connection with it. There it stands, and I have nothing to apologize for in connection with my record since I came into the house in 1911 nor nothing to withdraw from my statements as to the advocacy of this undertaking before I came into the house. It is not advancing the interests of hon. gentlemen opposite, when one has no opportunity to answer, to make the representations that have been made in times past as to my attitude and that of those who sit with me in the house with respect to this matter.

Mr. STEWART (Edmonton): I have listened carefully to my hon. friend's explanation of his position. There is one point I am not quite clear about. Was my hon. friend's anxiety with respect to whether Churchill or Nelson should be the ultimate port? Had he any doubt in his mind about the advisability of going to Nelson?

Mr. BENNETT: As I endeavoured to explain, the then Minister of Railways and Canals, after he came back, discussed the matter with me very fully. He told me of the difficulties that subsequently were referred to in the report by Mr. Palmer. He told me also of conditions as he found them at Churchill. He said he felt he was bound to accept the opinion of the engineers.

Mr. DUNNING: My hon. friend is speaking of Mr. Cochrane?

Mr. BENNETT: Yes. My memory is there will be found on Hansard a statement of his that he entirely followed the opinion of the engineers. I confess to the Minister of the Interior that not having been there, depending wholly and entirely on engineers' reports, I was not and I am not now in a position, beyond those reports, to indicate whether Churchill is to be preferred to Nelson or Nelson to Churchill. All I know is that the then Minister of Railways acted on technical advice and the moneys expended at Nelson were expended under that advice. The minister will find that all stated in the Senate discussions that took place in connection with the matter.

Mr. MACKENZIE KING: I do not know whether it would suit the convenience of hon. members to resume at two o'clock.

Mr. BENNETT: Say half past two.

Mr. MACKENZIE KING: We might say half past two and possibly it might be understood that we just continue in session until we finish passing the estimates; otherwise it will be very difficult to arrange for prorogation. I will make this motion if the Speaker will resume the chair.

Progress reported.

## BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I move:

The when the house resumes this afternoon, it shall resume at half past two and continue in session until the business of the house is disposed of.

Motion agreed to.

At one o'clock the house took recess.

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The house resumed at 2.30 o'clock.

## REPORTS AND PAPERS

Report of the Canadian delegates to the conference on the Limitation of Naval Armaments—Mr. Mackenzie King.

Report of the regulations made pursuant to provisions of the Old Age Pensions Act—Mr. King (Kootenay).

## QUESTIONS

(Questions answered orally are indicated by an asterisk.)

### IMPORTS AND EXPORTS

Mr. GOTT:

1. What were the total trade imports and exports, separately, between Canada and Great Britain for the fiscal years 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929 and 1930?

2. What were the total trade imports and exports, separately, between Canada and the United States for the fiscal years above mentioned?

Mr. MALCOLM:

1. Canada's imports from and exports to the United Kingdom, years ended March 31, 1920 to 1930, inclusive, were—

| Fiscal years | Imports from United Kingdom | Exports to United Kingdom | |
|---|---|---|---|
| | | Canadian produce | Foreign produce |
| 1920 | $126,362,631 | $489,152,637 | $6,807,481 |
| 1921 | 213,973,562 | 312,844,871 | 1,383,800 |
| 1922 | 117,135,343 | 299,361,675 | 1,001,518 |
| 1923 | 141,330,143 | 379,067,445 | 851,081 |
| 1924 | 153,586,690 | 360,057,782 | 1,103,020 |
| 1925 | 151,083,946 | 395,843,433 | 1,324,615 |
| 1926 | 163,731,210 | 508,237,560 | 1,028,583 |
| 1927 | 163,939,065 | 446,872,851 | 1,146,233 |
| 1928 | 186,435,824 | 410,691,392 | 2,071,961 |
| 1929 | 194,041,381 | 429,730,485 | 1,930,456 |
| 1930 | 189,178,156 | 281,838,175 | 1,336,380 |

2. Canada's imports from and exports to the United States, years ended March 31, 1920 to 1930, inclusive, were—

| Fiscal years | Imports from United States | Exports to United States | |
|---|---|---|---|
| | | Canadian produce | Foreign produce |
| 1920 | $801,097,318 | $464,028,183 | $37,101,934 |
| 1921 | 856,176,820 | 542,322,967 | 18,378,969 |
| 1922 | 515,958,196 | 292,588,643 | 11,515,534 |
| 1923 | 540,989,738 | 369,080,218 | 11,267,503 |
| 1924 | 601,256,447 | 430,707,544 | 10,935,365 |
| 1925 | 509,780,009 | 417,417,144 | 9,767,499 |
| 1926 | 608,618,542 | 474,987,367 | 10,964,868 |
| 1927 | 687,022,521 | 466,422,789 | 12,912,441 |
| 1928 | 718,896,270 | 478,145,383 | 18,640,873 |
| 1929 | 868,012,229 | 499,612,145 | 21,654,942 |
| 1930 | 847,450,311 | 514,957,553 | 21,654,397 |

## CHIGNECTO CANAL

Hon. T. A. CRERAR (Minister of Railways and Canals): Before you leave the chair, Mr. Speaker, I might answer a question that was asked by the leader of the opposition (Mr. Bennett) yesterday on the orders of the day in reference to the Chignecto canal. As hon. members may recall, a resolution was passed by this house a year ago asking that a survey and an economic study be made of that proposal. The field part of the survey work has been completed and the notes are now being extended and studied. A commission will shortly be appointed to study the economic aspects of the problem. The personnel of the commission has not been determined, and no one was authorized to speak in that regard on behalf of the government.

## PRIVILEGE—MR. DUFF

Mr. WILLIAM DUFF (Antigonish-Guysborough): Before you leave the chair, Mr. Speaker, I wish to speak to a question of privilege. A day or two ago in the regular course of the mail, I received in my post office box in the House of Commons the two envelopes which I hold in my hand. These are the ordinary House of Commons envelopes, and although they are not addressed to me they came back to my post office box. One of the envelopes is addressed to Thomas Young, Esquire, Sydney, N.S., and the other to Fred H. Sullivan, Esquire, 1 Argyle street, Glace Bay, N.S.

Before I go any further, may I say that I absolve the hon. member for Cape Breton South (Mr. MacDonald) of any knowledge of what has occurred in connection with this matter, but I think it is necessary for me to lay the whole facts before the house. Stamped on these envelopes to show the reason why they were sent back to me are the words, "Returned to sender," and the reason given for non-delivery in each case is that the persons to whom the letters were addressed

were not at the addresses named. I am going to send you these envelopes, Mr. Speaker, in a moment, and you will be interested to know what they contain.

Mr. GEARY: Did my hon. friend read the contents?

Mr. DUFF: Read the contents, does my hon. friend say?

Mr. GEARY: I do not want you to read them. I asked if you did read them.

Mr. DUFF: No, but I looked inside and found whom they were from.

Mr. BENNETT: It is an offence under the law to open a letter that is not addressed to you.

Mr. DUFF: Wait till I get through, and then my hon. friend will see that I did what was correct.

Mr. BENNETT: Nothing will make correct the opening of a letter addressed to somebody else. We cannot have a question of privilege, Mr. Speaker, involving the opening of a letter addressed to somebody else. Surely this house has not fallen that low.

Mr. DUFF: Somebody has fallen low when he deliberately used my frank and forged my initials on these two envelopes, and under my frank and under my initials sent out Tory literature in my name. I say that I am perfectly justified in bringing this matter to the attention of the house.

Mr. BENNETT: As to the frank, yes.

Mr. SPEAKER: Having stated that, I would suggest to the hon. gentleman that his question of privilege is covered. But as to reading what is contained in the envelope—

Mr. DUFF: I did not intend to read the contents, Mr. Speaker, but I thought somebody asked me to. All I wish to say, Mr. Speaker, is that this letter is signed by my good friend the hon. member for Vancouver North (Mr. McRae), the chief whip of the Conservative party. I do not believe that he either had anything to do with sending out this literature under my frank, but I do say, in view of the fact that the people of Nova Scotia have received letters of this kind evidently, because if two have come back certainly more than two were sent out, that it is not fair to me as a Liberal member of the House of Commons from the province of Nova Scotia to have these letters sent out under my frank, and I want to protest against it



Mr. SPEAKER: Nobody has the right to use the hon. gentleman's frank, but I am sure after what he has just stated that his electors will know that he never said what is in those letters.

Mr. BENNETT: It is now a question of the privileges of this house, not the privilege of any particular member. I trust that the hon. gentleman will lay the envelopes on the table. Having laid the envelopes upon the table, they should be kept in the custody of the clerk. It may well be that initials which purport to be the hon. gentleman's are somebody else's. That is for the clerk of the house. In the second place, the opening of a letter not addressed to him by any member and a statement of the contents is an offence against the law.

Mr. DUNNING: The frank and the initials purported to be his own.

Mr. BENNETT: He had no right to open the letters knowing they were not addressed to him.

Mr. DUNNING: How could he know until he opened them?

Mr. BENNETT: He said that there was a direction on the envelope where it should be sent if not delivered. His statement was predicated upon the assumption that he had not sent out those letters, and then to open them certainly puts this house in a very, very difficult position. I desire to dissociate myself and those with whom I am associated on this side from becoming parties to the opening of a letter that may be placed in my box or that of any other hon. member simply because the post office clerk assures me that it was my letter originally.

Mr. J. C. BRADY (Skeena): Apropos of what has just taken place, and to show exactly what is being done, let me mention that a few weeks ago a letter was addressed to the house of Olaf Hanson, the Liberal candidate in Skeena. He was not at home at the time, being either in Montreal or in the United States, and that letter was delivered to me by the post office. I retained it and made sure that Mr. Hanson got it even though I knew, Mr. Speaker, that the substance of that letter would not be a bit helpful to me.

Mr. BROWN: How did you know?

Mr. BRADY: I will tell you why. I know this for a fact, that when Olaf Hanson returned to Prince Rupert, every step that I advanced to better conditions in my constituency

he took the credit for; and I say to you, Mr. Speaker, that any man who opens a letter that is not addressed to him is doing something that is contrary to the law.

Mr. DUNNING: Is a question of privilege involved here, Mr. Speaker?

Mr. I. D. MACDOUGALL (Inverness): This matter should not be lightly passed over by the House of Commons. I have here in my hand the envelope to which my hon. friend from Antigonish-Guysborough (Mr. Duff) referred, and I am prepared to go on my oath and testify that this frank is the frank of Mr. Finlay MacDonald who represents Cape Breton South.

Mr. BENNETT: Certainly, it is as clear as anything in the world. All you have to do is to look at it and see.

Mr. CANNON: What is all the fuss about?

Mr. MACDOUGALL: The fuss is about a member of your party opening a letter that did not belong to him. You would not have done that, I trust, and I trust you would raise some fuss about it if anybody had done it against you.

Mr. SPEAKER: I would ask the hon. gentleman to use the third person when referring to another hon. member.

Mr. MACDOUGALL: My hon. friend from Antigonish-Guysborough by no stretch of his imagination, and he has quite a good imagination, I fancy, could interpret this as being his frank. He has opened a letter addressed to a certain person, Fred H. Sullivan, Esquire, Argyle Street, Glace Bay, which is not even in the hon. gentleman's county.

Mr. DUFF: It was returned to my post office box.

Mr. MACDOUGALL: You opened it knowing it did not belong to you.

Mr. DUFF: How did I know?

Mr. MACDOUGALL: You could see by the letter it did not belong to you.

Mr. DUFF: Not until I opened it.

Mr. MACDOUGALL: It is not your frank, the letter is not addressed to you, and exercising the ordinary courtesy of a gentleman you should have returned that letter, but you opened it.

Mr. DUFF: To whom was I to return it?

Mr. MACDOUGALL: To the post office because you knew that letter did not belong to you.

Mr. DUFF: I know now, of course.

Mr. MACDOUGALL: You opened a letter belonging to somebody else.

Mr. SPEAKER: Order. The question of privilege has been stated, the answer has been given. Now, I leave the chair for the house to go into committee of supply.

Hon. CHARLES A. DUNNING (Minister of Finance): I suggest that the wrongful use of a frank is a matter within Your Honour's control as Speaker of the house. Allegations have been made and in turn denied. The questions, I presume, are questions of fact. I have not seen the frank, and I am not attempting to judge as to the correctness of my hon. friend's statement. I am merely remarking that it is a matter for Your Honour to deal with.

Mr. SPEAKER: This is a matter for the Postmaster General to deal with.

Hon. LUCIEN CANNON (Solicitor General): I am quite sure, Mr. Speaker, that the members of the house would be satisfied to leave the matter in your hands. I think everybody will agree that no member should open a letter not addressed to him; and if the hon. member for Antigonish-Guysboro (Mr. Duff) did so, I am confident it was under a misapprehension that the letter was addressed to himself.

Mr. DUFF: I opened it thinking I had sent it. It had my frank on it.

Mr. MACDOUGALL: It was not your frank.

Mr. DUFF: I saw my initials.

Mr. SPEAKER: It is a matter for experts to determine.

## SUPPLY

### DEPARTMENT OF RAILWAYS AND CANALS

The house in committee of supply, Mr. Johnston in the chair.

Mr. BENNETT: Mr. Chairman, I will now summarize the position. In 1910 Sir Robert Borden made a speech at Halifax outlining the platform of his party, and later in the west elaborating that he used these words:

> The Liberal-Conservative party has been committed to the construction of the Hudson Bay railway since 1896, when Sir Charles Tupper embodied it in his policy. It will be built by the next Liberal-Conservative administration without one day's unnecessary delay. It will be

operated by an independent, non-political commission on behalf of and in the interests of the people, with full control of rates, and it will not be handed over to the control of any railway corporation.

That was reported in the press and amongst other papers in the Yorkton Enterprise of July 6, 1911, when Sir Robert Borden was making his tour through that section of the country. When the government of Sir Robert Borden met the house for the first time in November, 1911, the speech from the throne contained this paragraph:

> The selection of the best route for the Hudson Bay railway is engaging the attention of my advisers, and an announcement will be made to you of the result of their inquiry.

I had the privilege of moving the adoption of the address in reply in the House of Commons on November 20, 1911, and in the course of my remarks I said:

> It is, therefore, of vital importance in the minds and thoughts of those who produce grain in the west that no mistake be made so far as the terminals at Hudson Bay are concerned, and we rejoice that the speedy completion of the railway will be one of the matters which will receive the most earnest consideration of this administration. It is a matter in which the people in the west are vitally interested, that terminals shall be constructed there under the control of a commission, and that no private corporation will have an opportunity to unnecessarily control or dominate those terminals. That will obviate the necessity, of course, of our having to expropriate them, as we may some of the terminals at the head of the lakes.

I have already indicated the action taken by the administration of Sir Robert Borden, and the journey of Mr. Cochrane to that section of the country and the selection of the terminus for the railway. The war followed and operations were suspended, but it will be within the memory of this house, if it has followed what I have said, that the railway was completed to within 92 miles of Port Nelson and within 179 miles of Churchill when the present administration came into power. It will also be recalled that in 1926, when the present Minister of Finance was in control of the Department of Railways and Canals, further investigations were made which resulted in the terminals being changed from Port Nelson to Fort Churchill where the terminals mentioned by the Minister of Railways and Canals are now being constructed.

I think that makes the matter perfectly clear with one exception. Between 1911 and 1926 the Senate committee had investigated the whole question, and the answers I gave to the questions put to me in 1926 were made subsequent to that report. I do not now recall whether or not the Minister of Railways and Canals referred to the report in the course of his remarks, but all members interested in the Hudson Bay railway development will recall that that report was one of the factors, as the minister very properly said this morning, that brought about the further investigation as to whether Port Nelson should remain the terminus of the Hudson Bay line.

I have already recalled what took place in the election campaigns in the west, and I also desire to point out that the hon. gentleman from Yorkton (Mr. McPhee) the other day referred to an interview given by Mr. Clarence Graham a few days before—

Mr. McPHEE: As reported in the western press.

Mr. BENNETT: It was not an interview at all. A few days later Mr. Graham telegraphed to me as follows:

> Hansard May 14 contains McPhee's quotation of alleged interview by me. Have given no interview this year anywhere nor on any subject nor in any manner whatever made public comment on or reference to Dunning budget. Utterance quoted made addressing Cosmopolitan Club here as guest 5th instant.

That is the incident to which the hon. gentleman must have referred. It was at a banquet at the Cosmopolitan Club and had no reference in any way, shape or form to the budget. Mr. Graham followed that with a letter in which he asked me that the misapprehension be cleared up. I also referred to the fact that during the election campaign of 1925 the right hon. Prime Minister is reported in the Regina Leader of October 8, 1925, to have addressed a public meeting in Saskatoon on the day previous. The quotation from the Regina Leader is as follows:

> The next question is, how soon will Mr. King finish the Hudson's Bay line? Will he ask for the necessary appropriation at the next session? I am not going to evade the issue. I am not here to say that what I say will go, but I say this: You send me followers from Saskatchewan, let me have Mr. Dunning in the cabinet, and it will not take long to satisfy the people on this question.
>
> A voice: How many miles per member?
>
> Premier King: I am afraid if I said, "You send me the limit and I will go the limit," Mr. Meighen might say I was trying to bribe you. I want to make the position clear. The government wants to complete the road and to do it immediately. Let me also make this clear: how far we can go in that desire depends upon the complexion of parliament. Supposing after October 29th such a calamity should happen that the Liberal party was in power but no Liberal followers from Saskatchewan. Do you think I could get the other representatives to do it?
>
> A voice: What about the Progressives helping you?
>
> Premier King: Let me answer that clearly. When the Progressives take the attitude that

they will support us when we do what they want and we can go to blazes when we do not, you cannot get very far. You cannot get people to work together under that system. I have the greatest admiration for the motives of the Progressive party and am in sympathy with most of their policies as those of the Liberals are alike. But while I take that position my admiration stops when it comes to the methods.

I will not offer any comment whatever and just leave that extract as an indication of the policy pursued by the Prime Minister as outlined in his remarks at Saskatoon on October 7, 1925. Bearing in mind that at that time the railway was within 92 miles of Nelson and 179 miles of Churchill—query: How long will it take to finish it if in five years it has got to its present state? In five years the Minister of Railways instituted an investigation, changed the port from Nelson to Churchill, and began to construct the line. According to the present Minister of Railways it may be opened next year. Six years after the speech to which I have referred 179 miles will be completed, and probably trains will be running into Churchill.

Mr. DUNNING: I do not wish to develop any controversy in reference to this matter except in regard to my hon. friend's remarks as to the sequence of events. His remarks have departed somewhat from my understanding of the sequence, and I shall be very brief in my reply. I think my hon. friend will agree that his last remarks regarding the length of time will call for some reply. Chronologically the position is stated approximately correctly by the leader of the opposition. The first sod was turned on the Hudson Bay railway in 1910, and work continued on it throughout the war period. In fact work was not stopped until a month or so before the close of the war. At the time of the cessation of work the railway had reached mile 332, some 90 miles from Nelson and 179 miles from Churchill. At that time it was the intention of the then government to build the road through to Nelson, but for a number of years after 1918 no work was done on the railway. Trains were operated once a month and sometimes not that often for a short distance along the line only. In 1926 as my hon. friend has stated I became Minister of Railways and in that session on behalf of the government I asked parliament for a vote of $3,000,000 for the rehabilitation of the existing railway. When asking for the vote I stated plainly that it would all be necessary to rebuild the line. My hon. friend has spoken of the 332 miles as if in 1926 it would have been possible to begin building the remaining portion. As a matter of fact in 1926 it was not possible for a train to get anywhere near the end of the existing steel because in the years which had intervened between 1918 and 1926 the road-bed which was built originally on muskeg had completely disappeared over large portions of the distance, particularly from mile 200 to mile 332. As a matter of actual fact so far as practical purposes are concerned it has been necessary to rebuild the whole of the former Hudson Bay railway in addition to constructing the remaining mileage to Churchill. With respect to the five years to which my hon. friend has referred I would like in the first place to place before him the actual facts. The date of the debate in this house was June 9, 1926, and on that date not one dollar was yet available with which to do anything. Shortly afterwards my hon. friends opposite came into office for a short time. I did not resume the position of Minister of Railways and Canals until some time in October of 1926. It is now the month of May, 1930, and at this point I wish to remind my hon. friend that September of 1926 is not five years distant. I think as a matter of fact he said it was six years.

Mr. BENNETT: No, I said it would be six years next year when it is completed.

Mr. DUNNING: It will not be that long; I would point out however that it was not possible to do any work on the rehabilitation of the existing line during the year 1926. It was only possible to assemble materials in order that a start might be made on the rehabilitation in the year 1927. As a matter of fact in that year substantial progress was made. What had to be done? As I have reported to this house on previous occasions a complete new dump had to be built over the major portion of the mileage concerned.

I do not wish to refer particularly to my hon friend's Portage speech. I did not hear it, and I have no quarrel with his statement as to what he said. Under those circumstances I usually allow a man to state what he said, and am content to take his word for it. I take my hon. friend's interpretation in this particular instance. However, in reference to his remarks about the discussion which took place in this chamber on June 9, 1926, I think I owe it to myself to point out to my hon. friend that his remarks on that occasion indicated his position not as to the choice of ports—my hon. friend did not indicate anything about a choice between Nelson or Churchill.

Mr. BENNETT: Did he not; we shall see.

Mr. DUNNING: I am not quarrelling with my hon. friend. His words are recorded on

Hansard and they speak for themselves. He was referring to the feasibility of the whole route, and repeatedly he so stated. Until he had further assurances along that line he would not feel justified in voting for the extension of the railway one single mile beyond its present terminus, and he was satisfied to vote for the sum then being placed before the house for the reason that it contemplated only the rehabilitation of the existing mileage. In that connection my hon. friend referred to the expenditures which had been made, and at page 4293 of Hansard he said:

As a matter of business in an ordinary transaction most men would consider an expenditure of $3,000,000 somewhat large for the purpose of saving an investment of $20,000,000 amounting as it does to 15 per cent of the whole. I do not think it will be necessary to spend $3,000,000 for that purpose; less money than that will recondition the road and restore it to proper working condition. That is my view after hearing the estimate of the work that has to be done to put the road into shape.

And then after a reference to decayed ties, he said:

I therefore support the vote as it is proposed by the government. But from the information I have I could not under any circumstances vote to extend the railway a single foot beyond the present end of steel. I could not vote to send the railway to Nelson. I say that because I have not adequate information that would convince me that the expenditure of the money necessary, some $29,000,000 or $30,000,000, would be in the public interest. We have no such data as would warrant a board of directors, in the case of private corporation, speaking for intelligent, sober minded shareholders, in arriving at the conclusion that the expenditure now proposed was justifiable.

And as I have frequently observed, we in this parliament in relation to railway matters are in the capacity of shareholders. We are shareholders of the Hudson Bay railway. Speaking from that point of view I should not be prepared upon the information which has been submitted to us, to vote if I were asked to,—I am not as a matter of fact called upon to vote at the moment—in favour of an extension of the Hudson Bay raliway to the bay.

Then my hon. friend goes on:

My mind is open; I have no preconceived notions, no prejudices and no bias with respect to this question. On the evidence as I have read it—I have read all the evidence that has been available—there seems to be a marked conflict of opinion. These points are apparent: first, that since the opening of the Panama canal and the movement of wheat from as far east as Maple Creek, and perhaps a little further, to the Pacific slope there is no longer that urgent demand for the movement of grain west of that point to the Hudson bay or Fort William. Rather the desire is to move it to Vancouver. In the second place it must be remembered that the population of the country is not expanding as we should like, and that any movement that takes place of grain toward Hudson bay must necessarily involve a corresponding diminution in traffic on the two roads that now operate. And the Canadian National Railway system cannot afford at this juncture to lose any traffic.



And then further on:

I do suggest to the minister that inasmuch as—if he is permitted to remain in his office as I trust he will not be—

By the way, I was:

—he proposes to submit to parliament some day a vote for the construction of the road to Hudson bay, he takes steps immediately to demonstrate beyond any peradventure the feasibility of navigation in the straits.

And so on. Without quarrelling with my hon. friend, there may be some justification for those who understood his remarks to indicate doubt of the feasibility of the Hudson bay project as a whole. I say there may be in those remarks some excuse, and if proof of that is required I may point out that in that very debate one of my hon. friend's own colleagues at that time, the then member for East Edmonton, Mr. Bury, said in his address on page 4459 of Hansard of June 9:

Now, I cannot let that statement go unchallenged, because there is at least one member—and indeed the house has heard another in the person of the member for West Calgary (Mr. Bennett)—who does not believe in the project of the Hudson Bay route as a grain route. I cannot concede that it will be an economic grain route.

Evidently Mr. Bury understood my hon. friend the leader of the opposition as lacking belief in the Hudson Bay route as a grain route. I will admit quite frankly that my hon. friend's observations regarding what should be done from the point of view of investigation and so forth were good suggestions.

Mr. BENNETT: They were adopted, as a matter of fact.

Mr. DUNNING: As he himself pointed out this morning, they were suggestions which were acted upon, whether or not that was done because they were his suggestions. I really rose to my feet, Mr. Chairman, on account of my hon. friend indicating some criticism of the speed with which the work has been prosecuted since it was commenced. It is generally conceded among railway men and in the world of engineering that a very remarkable piece of work has been accomplished by the engineers and the staff of the Canadian National Railways in dealing with the work.

Mr. THORSON: And by the minister as well.

Mr. DUNNING: My hon. friend is very kind to say that, but as a matter of fact the actual conduct of the work of rebuilding and extending the railway was in the hands of the Canadian National construction forces, and during my time as a minister I cannot but acknowledge the whole hearted and effective cooperation which I received from that organization in prosecuting the work. Far from it being delayed in any sense, I can assure the house and the country that it was expedited every minute of the time by the Canadian National organization. I can also say that the departmental staff in charge of the work at the port, labouring as they did for a number of years under the great difficulty of carrying on operations without a railway behind them, with no rail connection, with only a sea connection, in my judgment have done remarkably good work in advancing the project as far as they have. Certainly so far as I know the people of western Canada believe that the work has been sincerely pushed forward by those in charge of it to the full extent of economical possibility.

Mr. BENNETT: Mr. Chairman, there is just one extract which I think my hon. friend might have read from my discussion of this matter which shows what was in my mind at that time. It will be found at page 4294 of Hansard of 1926, as follows:

> Have a careful investigation made of all the circumstances—the nature of the port and the channel; the shifting character of the sand bars; the possibility of erecting proper docks; the availability of material for the construction of such docks; the cost of elevators; the time required in the movement of grain from Port Nelson to Liverpool; the dangers that would be encountered in transportation, so that the insurance rate might be determined; and other allied questions. All these questions could be studied at first-hand by men specially deputed to carry out the investigation.
>
> This, I submit, is not an unreasonable suggestion to make at this time. I will concede that the minister is as desirous as any other hon. member to avoid any unnecessary expenditures. I believe my friends who support so strenuously this route are just as anxious as I am that public money should not be wasted, are just as desirous as any person could be that this route, if established, should be a success. But I do ask them to support the representations to the minister that we should not rush into this enterprise without having that measure of information, that extensive knowledge which private business men as directors of a well-defined body of shareholders would be required to have before they would recommend to their shareholders the expenditure of these sums of money.
>
> I do this to-night because, fortunately, it is not that vote which is being considered by the committee

Previously, as the hon. gentleman has said, I had given my unqualified support of the expenditure of the money required for the purpose of rehabilitating the enterprise, and I think the minister has done one other good service which I commend to one of the hon. gentlemen who interrupted me. That is this: The government itself has not been carrying on the contract. The contract was put in the hands of the Canadian National Railways, and the government as such has not been carrying on the work. The government merely put it in the hands of a first class contractor to carry into effect—

Mr. THORSON: Technically.

Mr. BENNETT: Not technically at all. The hon. gentleman, when dealing with this matter, dwelt upon that fact at great length, but he will recall that the government said that the Canadian National Railways, as contractors in this matter, were free to pursue any course they pleased and to employ whom they desired.

Mr. DUNNING: Pardon me, not to pursue any course they pleased.

Mr. BENNETT: I mean any course with respect to the work.

Mr. DUNNING: No.

Mr. BENNETT: Under the specifications?

Mr. DUNNING: The character of the work was agreed upon before the Canadian National Railways assumed the position of agent of the minister in carrying it out.

Mr. BENNETT: Is it true that the Canadian National Railways assumed the position of contractors for this enterprise and did the work?

Mr. DUNNING: No, they carried it out entirely as agent of the minister and were so appointed, in the same manner as they have carried out work on the National Transcontinental and other lines.

Mr. BENNETT: They were responsible for the completion of the work in the same manner as a firm of contractors would be?

Mr. DUNNING: Scarcely that.

Mr. BENNETT: What is the difference? They had to do the work. Surely this job has not been political.

Some hon. MEMBERS: No, no.

Mr. BENNETT: Then if it is not political the Canadian National Railways are carrying on this work as contractors for the enterprise.

Mr. DUNNING: You can call them contractors if you wish; that is not quite the actual fact.

Mr. BENNETT: There is not very much difference anyway.

Mr. YOUNG (Saskatoon): Did I understand my hon. friend to complain about the length of time taken by the Canadian National Railways to complete the work?

Mr. BENNETT: I was complaining that the government had not pressed the work forward, since the government has been in the position of being in control of the contractors. That is my position exactly.

Mr. LAPOINTE: In view of the attacks which we have had to meet on every platform in my province and in the Conservative press because of our support of the Hudson Bay railway project, I will take good care to publish and circulate the remarks of my hon. friend to-day.

Mr. BENNETT: That is very satisfactory.

Mr. CAMPBELL: I noticed that the minister made a public statement some time ago to the effect that the Crowsnest rates would be extended to Churchill. I wonder if the minister could give us some definite assurance on that point.

Mr. CRERAR: My hon. friend is misinformed as to the statement attributed to me. I have no recollection of making any statement that the Crowsnest pass rates would apply to the Hudson Bay line because there was no occasion for making such a statement and the matter never has been given consideration. However, I may tell my hon. friend that it will receive very serious consideration and personally I have no doubt that those rates will apply.

Mr. CAMPBELL: I am not sure where I read the statement, but I definitely recollect reading something in the newspapers to that effect.

Mr. DUNNING: Perhaps my hon. friend has in mind the statement I made during my tenure of office as Minister of Railways, which was to the effect that by virtue of judgments given by the Board of Railway Commissioners in other cases there was no doubt at all that the Crowsnest pass rates would apply, in my opinion. As the minister of railways has said, until the tariffs of rates are filed by the railway company with the Board of Railway Commissioners and are approved, this matter cannot be said technically to have been decided upon. However, because of the nature of the judgments given by the railway board in rate cases of a similar character, there is no doubt that the Crowsnest pass rates for grain will apply.

Mr. COWAN: Mr. Chairman, I would like to direct the attention of the minister to a matter which I consider to be worthy of consideration. That portion of the Canadian National Railways, formerly the old National Transcontinental, running from the eastern boundary of Manitoba into the province of Quebec, is not subject to municipal and school taxation. The remainder of the Canadian National system pays full taxes, and I do not see why this other portion of the road should not be in the same position, especially with respect to the pioneer communities in northern Ontario. The towns of Sioux Lookout, Longlac and Nakina are more particularly affected by this situation. I submit that it is unfair for the employees of the railway who live in these communities to have to pay municipal and school taxes which should be paid by the railway company. The employees of the railway in other communities receive the benefit of taxation paid by the company, and these people should be put in a like position. The town of Sioux Lookout, an important divisional point, offers a concrete illustration. The assessments in that community, outside of railway property, amount to something like $900,000, while the assessment on the railway property amounts to a little over $430,000. It will be seen that over one-third of the assessed value of the community belongs to the railway, and yet no taxation is paid. That condition should be remedied. This is a community of some 1,750 people comprising perhaps 500 families, and each family is forced to pay at least $50 to $60 more per year because the railway is not taxed. The assessments in Nakina in 1924 amounted to $96,000, while for this year they should amount to $120,000. Nearly one-half of the taxes paid in that community should be paid by the railway company. These same facts would apply to the towns of Hudson, Allanwater and Armstrong, but let us consider the case of Longlac. In this community a certain portion of the railway property is taxed while another portion is not. This is a very anomalous situation. It is estimated by these communities, and particularly by Sioux Lookout that the railway owes them over $200,000 in back taxes. That is a considerable burden upon the people of that community. This government has had

nine years in which to consider this matter and has had ample time to remedy this situation. I submit to the minister that these taxes should be paid and that the arrears for the past nine or ten years should be adjusted. In lieu of that, compensatory allowances should be made to these communities until such time as the matter has been adjusted satisfactorily.

Mr. MANION: I desire to support the contention of the hon. member who has just taken his seat. I brought this matter to the attention of the committee some years ago, I think on two or three occasions. At that time I was supported by my hon. friend and by other members from northern Ontario. I believe the government should consider the pioneer character of these northern Ontario towns which are having a difficult time under the best of circumstances.

Mr. CRERAR: This is the first time this matter has been drawn to my attention. I can assure my hon. friends that it will receive my very earnest consideration, but at the present time I would not care to make any commitment. A reasonable case has been presented and I shall be very glad to go into it as fully as possible.

Mr. BENNETT: It could be handled in the same way as other cases were handled, by agreement.

Mr. COTNAM: I would like to direct the attention of the minister to the question of seniority of certain conductors and brakemen formerly employed on the Ottawa division of the former Grand Trunk railway. Perhaps the best method of doing this would be to read a letter which I have received covering this point. It is as follows:

When the amalgamation of the Grand Trunk and the Canadian Northern took place all the freight traffic was diverted away from the Ottawa division and a number of our men were thrown out of employment. New men were engaged on other divisions while men on the Ottawa division were without work.

We have been looking to the Brotherhood of Railway trainmen for the past six or seven years to effect a settlement whereby we would be given work according to our seniority. A settlement was put into effect April 1, this year (they could not have chosen a better date to put it into effect as we were worse off than ever). The engineers and firemen of the Ottawa division received a settlement. They were given their seniority and a larger territory to work on, also the agents and operators were given their seniority on a larger territory, maintenance of way men, water service men, shopmen and carmen have all been given consideration while we have been left to the Ottawa division with practically nothing to do.

We used to have as high as fifty crews in extra service comprising one hundred and fifty men, to-day we have only about four crews. As seniority is the foundation of all labour organizations and all other men affected have received their seniority we cannot understand why we cannot get the same. Yard brakemen who belong to our organization received their seniority; where there were two separate terminals they were joined into one.

The present settlement was made by the representatives of the men and our delegate accepted it. It turns out now that a lot of things went on he did not know about and we are going to have to suffer for his mistakes. The men of the former Ottawa division have protested this in a body to our labour union. Other districts which have profited by the amalgamation naturally want things to remain as they are and as they are in the majority they control the vote at our meetings. As it stands now men on this division with fifteen to twenty years seniority are without work and men with ten years seniority working on other divisions are employed. We consider this unfair and would like you to bring this matter to the attention of the Minister of Labour or Minister of Railways and could take up with the President of the Canadian National with a view of giving us justice. We have been patiently waiting for years for our organization to effect a settlement but their settlement is far from being any assistance to us. I am sure all men affected would be agreeable to a board of arbitration composed of railwaymen who would be neutral to all parties affected.

In view of the statements contained in that letter, I should like to ask the minister whether he will give me an assurance that this matter of seniority for these men will be taken up with the president of the Canadian National Railways and adjusted at as early a date as possible.

Mr. CRERAR: The matter is primarily one for the management of the railways to deal with. I am not aware of the circumstances of the case that my hon. friend has brought up. It certainly has not come to my personal attention since I have been in the department. It is, however, a matter for the management of the railways to settle with the railway organizations. I shall be glad to draw it to the attention of the management of the railways, but I do not care to give my hon. friend any assurance that I will intrude myself into the management of the railways to tell them what they should do in this or any other matter of management.

Mr. MALONEY: The statement of the minister is quite in line with a speech delivered by the president of the Canadian National Railways in London in December last. The minister is, I surmise, a director of the Canadian National Railways.

Mr. CRERAR: My hon. friend is misinformed; I have not that distinction.

Mr. MALONEY: Well, the minister should be a director. Nevertheless, let me read a quotation from a speech delivered by the president of the Canadian National Railways, a man who is pulling down $75,000 of our good money every year. This is what he said in London, England:

> Referring to the field with which I happen to have some familiarity, namely the railways, one makes a noticeable improvement in thought and method.

He was endeavouring to tell the people of England how to manage their railroads.

> But in most cases I should offer a friendly criticism with respect to the organization of your railway systems. The interference—and I use the term in no provocative sense—of directors with respect to details must be abandoned. The chief function, as I conceive it, of a board of directors is vigilance.
>
> The ideal situation is that which permits a board of directors to remain silent.

If the minister is not a member of the board of directors, he should be, and he should not remain silent. He should have a word to say with regard to the management of the railways of this country.

Mr. CRERAR: What is my hon. friend reading from?

Mr. MALONEY: From Quebec, a journal published in England in the interests of the province of Quebec. Has the minister ever seen it?

Mr. CRERAR: No.

Mr. MALONEY: He should. It is an excellent paper.

Mr. COTNAM: I hope the minister will take into his serious consideration the matter, to which I have referred, because these men have no method of securing redress unless a little pressure can be brought to bear from some quarter. The men themselves have gone as far as they can go and it is time that someone with a little more authority should step in and see that these men secure the rights of which they have been deprived for the past few years.

Item agreed to.

Railways and Canals—chargeable to income —Quebec canals: Lachine, improvements, $7,400.

Mr. RHEAUME: I have looked through the estimates and I fail to find any grant for the proposed two tunnels under the Lachine canal, one at Wellington street and the second at Côte St. Paul. The Montreal Tramways Company has already declared its intention to defray one-third of the cost, and according to a statement recently made by its chief executive, the city of Montreal by way of referendum will soon seek authority to proceed with the carrying out of those two projects. Its contribution would be a second one-third of the cost. I feel it my duty to renew my plea in favour of a grant representing the remaining one-third of the cost of those two tunnels. I would like very much to know from the Minister of Railways the policy of the government on this question.

Mr. GUERIN: Just a word in support of the representations of my good friend the hon. member for Jacques Cartier. We represent contiguous constituencies, both of which suffer very keenly on account of the fact that the canal separates one part of the population of Montreal from another. As hon. members are aware, Montreal is a place of some importance. It comprises one-tenth of the population of the whole Dominion of Canada and about 100,000 of that population are cut off from communication with the rest whenever the canal is in operation. This means practically every ten minutes during the day while navigation lasts. I would say that the canal bridges are open for from ten to fifteen minutes at a time, preventing all intercourse between the north and the south portions of Montreal. We see frequently several street cars, sometimes eight, ten or twelve, lined up waiting for the bridges to open and people going to business suffer acutely on account of the obstruction of the traffic. Navigation has become so active now that we cannot put up much longer with this terrible inconvenience. We had reason to think an amount would be inserted in the supplementary estimates. I can understand that the minister did not care to have the supplementary estimates appear too large, but we want to have some assurance that the government is going to come to our aid. We are in absolute need of this improvement; it must take place. We are suffering on account of a canal which is a government institution. I leave the matter in the hands of the minister and I hope he can give some pledge or assurance that the government is prepared to come to our help in this regard.

Mr. CRERAR: In January, 1929, the department received a resolution from the clerk of the city council of Montreal asking if the department would be prepared to make a contribution to the building of subways at Wellington street and Cote St. Paul. That matter has been examined by the officers of

the department, and I find that such a contribution could be made by the federal government. The bridge at Wellington street across the canal and the bridge at Cote St Paul have been in operation for a very considerable number of years, the Wellington street bridge for thirty years, and the other for a little less than that. There is no doubt that the traffic crossing these bridges from the city of Verdun, and the district adjacent to Pointe St. Charles, is very considerable and interferes, as my hon. friends have pointed out, with the free passageway along the canal. Subways would undoubtedly be desirable. Our officers have made an estimate that the department could make a contribution of I should say approximately $1,000,000 for these two subways and still be no further behind than what it is costing at the present time to maintain these bridges and provide for depreciation and the other expenses incidental to their maintenance. If the subways were built, it would of course facilitate the passenger traffic to and from the city of Verdun, and would also greatly facilitate the passage of boats through the canal. I think I can say to my hon. friends who have made this request that the department will be prepared to make a contribution of $1,000,000, or at any rate I will say that I would be prepared to recommend such a contribution purely on the basis of its being a businesslike construction, as soon as the city of Montreal and the Montreal Tramways Company come to an agreement as to the amount which they will contribute to the building of these subways.

Mr. KAISER: Has the minister ever heard of the Oshawa railway station?

Mr. CRERAR: The matter of a railway station at Oshawa has never been directly brought to my attention, but I have been under the impression that there was a railway station there.

Mr. KAISER: Would the minister mind having a little conversation about it with Sir Henry Thornton? He visited the station a few days ago, and the people of Oshawa offered him the station as a present, if he would remove it to a pioneer museum. He declared that the station was too old for that and should be put in an archaeological department. Will the minister use his best efforts to see that either one or the other is done?

Mr. CRERAR: I have no doubt that my hon. friend's observations will reach the attention and have the careful consideration of Sir Henry Thornton.

Mr. CHAPLIN: I would like to refer to the promise made by the minister just a few moments ago. Does he think that that is a proper promise to make just prior to an election? If he were prepared to put the item in his estimates, all right; but I do not think it is a promise that should have been made.

Mr. CRERAR: My hon. friend is wholly under a misapprehension. As I stated a moment ago, this matter was drawn to the attention of the department eighteen months ago.

Mr. CHAPLIN: That makes it worse.

Mr. CRERAR: Let my hon. friend possess his soul in patience until I have made my explanation. The difficulty, so I am informed, has been that the city of Montreal and the Montreal Tramways Company have not been able to reach an agreement as to the contribution which they will make to these subways. The request was made of the government that an amount should be placed in the estimates as an evidence of the intention of the government to make this contribution when the other parties came to an agreement. But the item was not put in the estimates because it is not required until the other parties reach an agreement. When they do, I am prepared to recommend that an amount equal to $1,000,000 be provided through the estimates of the Railway department on the ground that this is a business arrangement which will improve the service on the canal and improve the service to the residents of Verdun, and will not mean any additional cost to the government of Canada.

Mr. MacNUTT: As subways are under discussion, may I ask the minister if he has received a memorial from the council and board of trade of the town of Truro, Nova Scotia, asking that a subway be constructed under the tracks at that place?

Mr. CRERAR: That matter has been before the Canadian National Railways, I am informed by my deputy, for some considerable time. Apparently there was some difficulty on the part of the town of Truro as to the precise location where they desired the subway. I understand that that difficulty has been settled and that they have notified the management of the railways where they wish to have the subway, and that arrangements are being made to have the subway built at an early date.

Item agreed to.

Canals—staff and repairs, $2,891,500.

Mr. SIMPSON: We have heard a great deal in the house during the last few days with respect to the long hours of labour of the men engaged in the steel industry in this country May I say that similar conditions have prevailed on the canals in this country for years? The men engaged on the ship canals have been working eleven and thirteen hours a day, and sometimes a twenty-four hour shift. So the government had not very good grounds to rest on when they insisted upon the steel industry changing the hours of labour of its employees, when they were maintaining on government works the hours of labour I have just mentioned. I presume the men working on these canals will be included in the new order that has been passed for the eight-hour day.

Mr. CRERAR: There is a vote in the supplementary estimates to provide for the establishment of the eight-hour day on the main St. Lawrence route where the traffic warrants it.

Mr, SIMPSON: Will that apply to the canal at the Soo where the traffic is practically continuous?

Mr. CRERAR: I cannot answer my hon. friend as to that at the moment. It will apply at the Soo if the conditions warrant. I do not know the amount of traffic passing through the Canadian Soo; my impression is the great bulk of it passes through the American Soo.

Mr. SIMPSON: While that is true, it is accounted for by the fact that there are four locks on the American side and only one on our side. But notwithstanding that, quite a substantial portion of the traffic passes through on the Canadian side of the river. For years these men have been working long hours, while just across the river the men have been on the eight-hour shift for several years and are getting more money than our men. If any change is being made on the canal system, I appeal to the minister to take care of the men at the Soo.

Mr. CRERAR: I shall be very glad to take it into consideration, and if the facts warrant the eight-hour day being applied, I will see that it is applied.

Item agreed to.

Canals—staff and repairs—further amount required for salaries of additional officers employed on account of institution of the eight hour day, $400,000.

Mr. MALONEY: Where will the $400,000 be expended?

[Mr. Crerar.]

Mr. CRERAR: I explained a few moments ago, in answer to my hon. friend from West Algoma (Mr. Simpson), that this vote is to apply the eight-hour day to our men engaged on the main channels of travel on the St. Lawrence route. He raised the point about it being applied to the Soo. I am going to make full inquiry, and if the facts warrant it will be established there.

Mr. BENNETT: Before the hon. minister leaves his estimates I wish to ask him a question. At the present moment it is impossible for the travelling public to get to Churchill. There is a pass system—not railway passes—with respect to those who go into that territory. I should like some assurance from the minister that no discrimination will be practised in affording facilities to all persons to go into that territory during the general elections.

Mr. CRERAR: I unhesitatingly say to my friend that there will be no discrimination. If he should find any I shall be very glad if he will bring it to my notice at once.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

National Defence—militia services—topographic survey, $45,000.

Mr. ROSS (Kingston): Taking the votes for this department generally, Mr. Chairman, will the minister explain the purpose of the expenditures, including the increases?

Hon. J. L. RALSTON (Minister of National Defence): The expenditures have been practically for the same sort of services for which votes have been asked for several years past. The increase since 1926 of approximately $2,000,000 for militia services is largely in connection with three or four items such as the engineer services, which we have increased considerably in order to take care of depreciation and repairs to buildings; replacement of clothing and supplies on account of depletion in war stocks, and annual training, which as I have told the committee before, has been increased on the average from 9 to 12 days and from about 27,000 to 33,000 men.

Mr. ROSS (Kingston): I think the increases are expected to take care of training and assistance to officers in the upkeep of battalions, yet there is complaint that that is not being done. In 1926 the militia vote was $9,000,000 as against $11,000,000 in 1928. That additional money should pretty well take care of assistance to officers in helping them to maintain their units. Has there been no increase to them for this purpose between 1926 and 1929?

Mr. RALSTON: I am not aware of any increase to officers, that is, officers commanding non-permanent active militia units.

Mr. ROSS (Kingston): That is what I mean. There has been no assistance given to those officers?

Mr. RALSTON: No, I know of no increases. My hon. friend is talking of the regular allowances?

Mr. ROSS (Kingston): I am asking if there has been any increase to these officers between 1926 and 1929?

Mr. RALSTON: I say I am not aware of any. My hon. friend knows of course that in most non-permanent active militia units the officers are contributing rather than getting something, and that has rather been a source of satisfaction to me to be able so to report to the house. Our officers, and even our non-commissioned officers and men, have in many instances been pooling their pay for what they consider the good of the service.

Mr. ROSS (Kingston): That is exactly the point. We have understood that these officers would be assisted, but they have not, although there is an increase of $2,000,000 in the militia vote. This increased expenditure is not because of any increase in the number of men training. In 1926 the department trained 328 permanent officers, while in 1928 it trained only 411; other ranks in 1926 it trained 3,088 and in 1928, 3,175. There is a slight difference in that case. Officers trained at local headquarters in 1926 numbered 3,097 and in 1928-29, the figure decreased to 2,573. Other ranks trained at local headquarters in 1926, 21,481; in 1928-29, 19,754, showing a decrease. There was, however, an increase of those at camps. In 1926 there were 1,303 officers trained and in 1928 there were 1,610, showing an increase of 300; other ranks in 1926, 6,108 as compared with 10,248. So that after all I want to point out that if there are complaints in regard to the maintenance and upkeep of these battalions it is not because any great number have been added to the training in camp, because if you take the figures of those at local headquarters there is very little increase as compared with those trained at camp. There have been complaints that in spite of the fact that the appropriation has been increased by $2,000,000 these officers are not getting any assistance. In 1924 the estimates were $11,000,000 for this work and in 1929-30, they were $20,000,000. That would seem to give the minister quite an increase to assist in the military work and in the training of the units. There is also a continued increase in the special votes. There is a decrease in the adjustment of war claims; in 1926 the amount spent was $148,000 and in 1928, $112,000, showing a decrease of $36,000. In 1926 in connection with imperial war graves the amount of $799,000 was spent, whereas in 1928 only $573,000 were spent, or a reduction of $226,000. There is a reduction in these extra items in the militia estimates, and it might be still greater even if the grant to assist the officers commanding the non-permanent units had remained the same. The minister knows as well as I do that there are complaints, and it is not fair to do no more than call attention to the insufficiency of the amounts these commanding officers are getting, and to give them credit for paying money out of their own pockets for the maintenance of their units, when as a matter of fact the department is getting an increased appropriation of two or three millions a year. The minister may be able to explain it, but so far he has not done so.

Mr. RALSTON: The explanation lies in the fact that my hon. friend is mixing the total vote of the department with the vote for the militia service to which we are referring.

Mr. ROSS (Kingston): No, I am not mixing it.

Mr. RALSTON: My hon friend compared $20,000,000 with $11,000,000. May I tell him that $20,000,000 has nothing to do with the $11,000,000; the figures are not comparative. The comparison is between something over $9,000,000 and $11,000,000 for militia services. In order that there may be no doubt about it I shall mention the services in connection with which increases have been made:

Administration, $20,000; cadets, $100,000; contingencies, $12,000; engineer services, $264,000; general stores, $526,800; manufacturing establishments, $167,000; non-permanent active militia, $615,000.

May I pause here to say that this last one is the vote from which any payments such as my hon. friend has mentioned would have to be made. The items of increases continue:

Permanent force, $160,000; Royal Military College, $10,000; topographic survey, $10,000.

In all there is a total of $1,884,800 increases since 1926-27. This is made up of three large items: general stores, $526,800; non-permanent active militia, $615,000, and a combination of permanent force and engineering service amounting to something like $400,000. The only vote out of which any such assistance

could be given as that to which my hon. friend refers, is the item of $615,000. May I point out also that instead of 27,000 men in 1926-27 there have been trained in the last two years 33,000, or an increase of 6,000 and there has been an increase in average days of training from 9 to 12. I should have mentioned in addition that the number which have been given special training courses has practically doubled in the past three years. We have tried to do all we could with that comparatively small item of $615,000. If my hon. friend has any other suggestions I should like to have them. I think the service has been looked after as well as could be done considering the amount of money which has been provided.

Mr. ROSS (Kingston): I am not mixing things up. I have them all separated before me. In 1924 there was $8,821,000 for militia; in 1926, when the minister took over the department, there was $9,158,000. This year you are asking for $11,000,000, which is $2,000,000 more for the militia alone.

Mr. RALSTON: No, not for militia alone.

Mr. ROSS (Kingston): Those are the figures which have been taken from your estimates. I say there was $2,000,000 more for the militia alone.

Mr. RALSTON: No, it is not for the militia it is for all these services—permanent force, Royal Military College, etc.

Mr. ROSS (Kingston): As to the figures for training I have only been able to copy the reports, and I have stated what those reports show. I say that the increase of $2,000,000 should show something more in the matter of training and assistance to these officers who are trying to maintain their units. I am glad the minister has made the statement that between 1926 and 1930 the officers have had no increased assistance from the vote in regard to their maintenance.

Mr. MacLAREN: In view of the statement that it is proposed to abolish the royal army pay corps, would the minister make a statement?

Mr. RALSTON: Some time ago I had the whole organization of the department reviewed by Mr. Gordon Scott of the firm of P. S. Ross & Sons. One of the recommendations made at that time was that the army pay corps as a separate unit should be gradually dispensed with in view of the suggested changes in the accounting branch and the appointment of district accountants. If time permitted I should like to go fully into that, but perhaps I can indicate the general idea to the committee. It is that in the department, as far as the officers who are now administering it are concerned, the intention is as far as possible to utilize civilian services more generally but to use of course military services when the technical nature of the employment requires it, or in other words not to build up a large military establishment in collateral services. The situation which existed and which I may say still exists is that the army pay corps and the accounting branch duplicate their work to some extent. The accountants branch has to keep the accounts of the department generally. The pay corps keeps certain accounts in connection with certain essentially military services which also have to be included in the accountant's books as well. The information for the pay corps in many instances has to come from the chief accountant's branch to the pay corps—for instance accounts for general supply. There seemed no reason to Mr. Gordon Scott for having these two sets of accounts.

The pay corps as we generally think of it is for the purpose of paying the troops, but in this instance they are keeping a lot of other accounts, as well. It was felt, however, that accounting was principally a civilian occupation, and not only Mr. Scott but my departmental advisers concurred in the recommendation. As yet no change in personnel has been made, but an instruction was issued that from March 1 the pay corps should come under the chief accountant's branch, and that is the situation at the present time. The idea expressed in the instruction from the adjutant general was that there should be as little as possible individual hardship worked on the members of the pay corps, and that the personnel as far as their qualifications permitted and vacancies exist would be absorbed in the civil organization. At present the only change which has been made is the transfer of the administration of the pay corps from the adjutant general to the chief accountant, looking forward to the time when it may be absorbed in the accounting branch. Naturally I am concerned with the dislocation which any administration change like this causes and I want to have it seen to that the dislocation be just as slight as possible.

Mr. MacLAREN: After all this is the Department of National Defence, and one would naturally expect that as far as possible the developments should take place along military lines. From what the minister says, I understand it is proposed to transfer the military pay portion of the service to the civilian pay force. To me this is regrettable. I quite understand that there may be dupli-

cations; I understand that it is desirable to improve the organization and administration, but I should have thought the pay branch would have been kept under the militia services and not put under a civilian branch. These different departmental corps aid in the efficiency of the department. Surely the minister does not suggest that civilian employees, without necessarily any military training, are as efficient as the permanently trained pay corps? That applies to the other branches of departmental corps. They are there for the purpose of efficiency and for training, and in the event of the forces requiring to take the field what would the minister do? He would be employing civilians.

Mr. RALSTON: We would do exactly what we did in the last war; during the last war the civilians enlisted and went into uniform.

Mr. MacLAREN: They still had to go through a process of training.

Mr. RALSTON: Not so much for the accountants.

Mr. MacLAREN: I submit that the pay branch of an army, especially in the field, carries on a very important and complicated duty. Civilians are not enlisted men.

Mr. RALSTON: Perhaps my hon. friend does not understand the situation in the British army. I think probably during the war the Canadians were one of the few forces who had battalion paymasters; in the British army they had what they called field cashiers, civilians I understand, who came with the cash to a certain point, carrying the pay for perhaps a division, and who distributed the cash to the battalion commanders, who in turn distributed it to the company commanders, who, under the old British system as at present, as my hon. friend knows, paid their men. The company commander was supposed to be the father of his men, and if a man had a complaint about his pay or allowances, the pay parade when he came before his company commander was the time to make that complaint known. I should think if we ever have the misfortune to go into the field again that system might have a good deal to commend it as compared to the practice of having regimental paymasters such as we had in the last war. That is just an opinion. I mention the system to my hon. friend to remind him that it has been recognized elsewhere that the fact that a man happens to be in uniform does not necessarily equip him any better for cashier's work.



Mr. MacLAREN: But the man in uniform could do it with equal efficiency.

Mr. RALSTON: But not because he is in uniform.

Mr. ROSS (Kingston): Surely the minister does not mean to say that civilians should go into the field, not being under discipline and not being enlisted like any other officer, and that these men would be just as efficient?

Mr. RALSTON: My hon. friend is talking about a permanent pay corps. I see nothing especially advantageous in the system we had in the last war of having regimental paymasters. I think the company commander might be a better and more logical paymaster.

Mr. ROSS (Kingston): Surely the minister does not suggest that the commanding officer should be responsible for the pay. We tried that out in the smaller units and it was an absolute failure. Whoever handles the cash should be under discipline, and should not be a civilian.

Mr. GEARY: But the paymaster was a battalion officer; he was not on the pay corps. Now I should like to ask a question. As I understand it the training vote this year is about $25,000 more than it was last year for the non-permanent active militia?

Mr. RALSTON: No, it is just the same.

Mr. GEARY: Then are we training fewer men?

Mr. RALSTON: No, I think not. It is exactly the same amount this year.

Mr. ROSS (Kingston): I am sorry I must bring up a matter now which may delay the committee for a few minutes, but I do not believe I can afford to let it go. I refer to a matter which I think is known to a number of members and to many officials in the department. In July last tenders were called for the supply of coal in Kingston. These tenders were received on July 19. There were three tenders for this coal in the city of Kingston, but on July 25 another tender was received from one of the companies and on July 29 a third tender was received. The result was that this tenderer was able to reduce his first figure of $12.22 to $12.12. No such opportunity was given to the other tenderers, and although the company which sent in the three tenders reduced the price by 2 cents and in another case by 10 cents, at the same time the company was enabled to raise the price on one quality of coal in order to make up for what was lost on the

other two tenders. I submit, shortly, that this is a most unfair system; if a second and third tender is to be allowed in respect to these supplies, then every person who made a tender in the first place should be given the same privilege. There are certain regulations governing the weighing of the coal. When this firm had been permitted to submit the second and third tenders they should have been satisfied, but I find from the records of the department that this coal was not weighed on military scales. The payments have been made, the coal is in the bins, and we must let it go.

A third method of delivery was by truck. Weights were submitted for 8,800 pounds, 8,700 pounds and 8,400 pounds, but it was finally discovered that the scales upon which this coal had been weighed had a capacity of only 8,000 pounds. It is to the credit of some official of the department that this discrepancy was discovered, and a certain amount of money was refunded. If that were done with a few truckloads, how much did the department suffer in the delivery of 1,500 cartloads which came in unweighed?

These tenders have been handled in a very unfair manner. I find that the department has two kinds of notices. One is sent to the tenderer when he is not the lowest; if he is the lowest and does not get the contract, he receives a different kind of notice. That is a most unusual method to be adopted by any department, and one which enables people to bid the second time. This matter should be investigated and had I known of it earlier I would have brought it before the house earlier in the session.

Mr. RALSTON: When my hon. friend mentioned the other day the matter of the return, I made inquiry of the deputy just before he went away and I understood that the difficulty was as to the weigh bills. As my hon. friend knows, I arranged that he should be allowed to see the original weigh bills.

Mr. ROSS (Kingston): I took advantage of that opportunity and it was from that examination that I discovered that the regulations had never been complied with. It was claimed that they possessed two or three signatures of the quartermaster, but there was not a single item of payment which was initialled by that gentleman. I might state that the man who was supposed to weigh this coal was taken away on the last day by the tenderer. There should have been a check made of the weigh bills presented by the tenderer, and military form No. 19 should have been used. However, that was not done in the case of about 1,100 cartloads.

[Mr. Ross (Kingston).]

Mr. RALSTON: I thought the only matter in dispute was with regard to the weigh bills, and I asked the department and the commandant to give me a report in this regard. Therefore I am unable to give my hon. friend all the facts which he desired. Two tenders were put in—

Mr. ROSS (Kingston): There were three.

Mr. RALSTON: My officer here tells me that two tenders at least were put in for delivery at two different places. One tenderer quoted a different price for each place and the other tenderer quoted a flat rate. Later on, without any suggestion either directly or indirectly from the department, a telegram was received from the tenderer who had quoted different prices for each delivery point quoting the lower price for both delivery points. This telegram was received before the time for receiving tenders had elapsed and the contract was awarded to that particular tenderer.

The report of the commandant regarding the weighing of the coal is as follows:

It is explained that, although M.F.B. 19 has not been utilized, nevertheless all of the coal was weighed on the government weigh scales at Kingston by a qualified representative of the commandant, R.M.C. in the person of E. H. West, caretaker, R.M.C., whose signature is appended to weigh bills, with the exception of those signed by the quartermaster himself. The other signature, viz., that of A. Cockerham, cleaner and helper, R.M.C., vouches for the actual receipt of each load of coal at the R.M.C. at the end of the journey between the government weigh scale in the city of Kingston and the R.M.C. grounds. The greatest possible supervision and care has been exercised over the weighing and cartage of this coal; the government weigh scale was daily visited by the quartermaster R.M.C. who personally witnessed during his visits the weighing of coal and has himself signed certain weigh bills, in addition to giving his certificate on the fact of the firm's account.

So long as the coal was weighed on government weigh scales and the weighing carried out —as has been done in this case—by a responsible and competent civil employee representing the R.M.C., it was felt that the regulations governing the receipt of coal were being properly and adequately carried out; importance was unfortunately not attached to the use of M.F.B. 19 to record weights, in fact the regulation governing this point did not come to mind when the forms supplied by contractor were taken into use. As soon, however, as it was pointed out by district auditor that M.F.B. 19 should be used, a supply of that form was immediately obtained from the D.S. and T.O., M.D. No. 3, and is now being utilized, and will accompany the accounts for the balance of the coal still due under this contract.

That is signed by C. F. Constantine, Brigadier, commandant, Royal Military College.

I did not know there was any question except about the weighing until it was mentioned by my hon. friend to-day, but in view of what he has said the fullest investigation will be made.

Mr. ROSS (Kingston): I would be very sorry to see anything like that put over on any minister. The quatermaster was away at the time this coal was being delivered. His signature appears on only two or three of these slips. His initials appear on some corrected figures, but that has nothing to do with the weighing. I drew this to the attention of the commandant at the time but it was allowed to go on. I understand that the quartermaster was visiting in London on a holiday.

Mr. RALSTON: The report states that the quartermaster signed certain weigh bills.

Mr. ROSS (Kingston): I went over the 1,500 weigh bills and I could not find one signature, and the department admitted finally that that was the case. The statement read by the minister was submitted before I made my examination, and the accounting department will admit that there is nothing to it. They assumed that the initials were those of the quartermaster, but they were not. I really think this is a very important matter, and I can assure the minister it is one I shall go into next session very thoroughly. I am going into it so thoroughly that I acquainted the commandant with what was going on. No effort was made either to confirm the statements made or to correct the condition. If you had to cut off as much as 700 or 800 pounds of coal from a truck, what did you lose with those 1,500 loads? It does not satisfy me to say that the coal is weighed. One receives a blue slip and the other a white one and it is found there are only about 150 white slips as against 1,500 blue. I am going to leave the matter there and say that this is a question we cannot let stand in this condition. I have not time to discuss it further now.

Mr. RALSTON: I assure my hon. friend I shall not wait until next session to deal with the matter.

Mr. WOODSWORTH: I wonder whether the minister would allow me to call attention to a matter that concerns discipline within his own department. I have already spoken to him about it privately. A year ago, when the estimate for cadet service was under discussion, I pointed out that some of the officers were very active in seeking to enforce military training in some of the schools in the vicinity of Winnipeg. The Minister of National Defence made this statement on June 4, 1929:

Mr. Ralston: My hon. friend has said that before. I have told my hon. friend from Calgary and I say to the hon. member for Southeast Grey very sincerely: if they can show any case in which there has been instigation on the part of officers, I will deal with it promptly. The whole principle of this is that it is optional with the school authorities. There are about 7,000 teachers who are instructed this year in physical training, who are not cadet instructors, but who are giving their classes the benefit of physical training and whose instruction is being paid for out of this appropriation.

Notwithstanding that assurance given by the minister on the floor of the house and further given to various groups of people in Winnipeg and Vancouver, we find the same activity being manifested by the officers who are in charge of cadet services. As an example of this, on March 6, 1930, I read the following letter:

Winnipeg, Man., February 5, 1930.

Mr. F. A. Allden,
Secretary, School Board,
Winnipeg.
Dear Sir:

May permission be granted for a deputation of citizens to wait upon the school board on Thursday evening, February 6, when the management committee of that organization will be in session?

The delegation will deal with the introduction of cadet training in the schools and there will be at least five who wish to address the board on this important matter.

Yours very truly,
(Signed) Geo. H. Gillespie, Lt.-Col.

So it would seem as if Colonel Gillespie, who was so prominent the year before and who, the minister had said, would not be permitted to continue this kind of work, has again been very active this year. This kind of activity led to the passing of a resolution by the Manitoba legislature. I wish to quote this resolution from the votes and proceedings of the legislative assembly of Manitoba:

Winnipeg, Thursday, April 10, 1930.

Resolved: That, whereas, the Minister of National Defence stated in the House of Commons on April 11, 1927, that the Dominion government received, under date of March 22, 1911, a memorandum from the provincial authorities of Manitoba in part as follows:

"The Education department encourages the formation of cadet corps including the practice of rifle shooting under suitable conditions by the older boys, in all educational establishments under its control" and also at a later date a communication signed by the Deputy Minister of Education, in part as follows:

"I am instructed by the minister to acknowledge receipt of your letters of August 29 and September 4, enclosing copies of circulars sent out by the district cadet officer at Winnipeg under date of February 27 and March 27, 1925; and to advise in connection with the letter addressed to the principals of schools, that we take the position that the establishing of cadet training is entirely a matter for the various

school boards of the province to determine for themselves; the consent of the parents in all cases we presume to be implied; consequently exception is taken to paragraph in the letter circular beginning 'The Department of Education has endorsed the movement.' We kindly ask you to have this paragraph withdrawn or in the alternative, the circular to the principals in its entirety be withdrawn."

Whereas, the Minister of National Defence stated during the same debate that he did not interpret the later communication as a repudiation of the original memorandum;

Whereas, the most recent information in the possession of the Department of Education is that cadet battalions were reported in January, 1928, as being established in public schools at eleven points in the province;

Whereas, governments and people in all parts of the world are striving to substitute methods of peace and arbitration for those of violence and war in international affairs; and,

Whereas, cadet training fosters militarism and the war spirit in the rising generation.

Therefore, be it resolved, that this house is of the opinion that the government should discourage the continuance and future organization of cadet training in the public schools of Manitoba.

And be it further resolved, that this house petition the Dominion government to substitute for the present grant for cadet training, a similar grant for national physical instruction under a department other than the Department of National Defence.

It is not my intention to detain the committee further with regard to this affair, but since the minister has given his word to us that this kind of activity in initiating the cadet movement in schools would not be permitted; since notwithstanding, the officers in his department have continued to carry on activities of this kind; and, further, a resolution of the Manitoba legislative assembly has been passed stating that in view of the circumstances it is resolved—

That this house is of opinion that the government should discourage the continuance and future organization of cadet training in the public schools of Manitoba.

I submit it is high time that the Dominion government should keep its hands off our provincial affairs. It is proper too that we should know whether the men in the employ of the department are really carrying out the instructions of the minister. I hope the minister will give us some further information with regard to the whole matter.

Mr. RALSTON: The matter is very simple. My hon. friend was good enough to call my attention to it some days ago, and in fact I noticed it in the newspapers when I was away. The district officer commanding was written to at the time the hon. member made his reference in the house and his attention was called to what my hon. friend has referred to, namely, what I said in the house on June 4, 1929. I discovered this after my hon. friend had referred the matter to me. The explanation received is that after the last civic elections, a considerable number of citizens of Winnipeg considered that the time had arrived for the reintroduction of cadet training into the public schools of Winnipeg. They accordingly decided to wait upon the school board. The district cadet officer was asked to accompany them to answer any question that might arise regarding cadet training. The district cadet officer informed the district officer commanding of this request and the district officer commanding authorized him to comply with it. This is the point: the delegation was to appear before the board on the 6th of February, and the day previous thereto the chairman of the board, knowing that the district cadet officer was in charge of cadet training in that district, telephoned him that no formal application for the delegation to be heard had been received by the board, and as such formal application was necessary, he requested the district cadet officer to submit a formal application, which he did. Reading the letter which my hon. friend has read in the light of that explanation, I think it is straining things a little to say that the district cadet officer was an instigator of the movement. He was doing this only because his attention was called by the chairman of the board to the fact that it was necessary to file a formal letter with regard to the appointment to receive the delegation which he himself had been asked to accompany, and his only intervention was at the request of the chairman who said that a letter ought to be written formally requesting that an appointment be arranged. I am anxious to avoid even the appearance of evil, but I think it is straining the terms of the letter a little to say that there was any instigation. It is true there was a district cadet officer there. He is there to serve those who desire cadet training. He is there to give information with regard to it. I am just in the position I was in on June 4 last. I do not want our officers to be instigating cadet training or doing anything which would interfere with anybody's susceptibilities. I want them to do the job for which they are paid.

One word more, and my hon. friend will forgive me for not going into this matter fully, and I appreciate his motive in not taking up the time of the committee and I have expressed my views on this subject before. Cadet training is becoming more and more a provincial and a local matter. With regard to the uniforms, for instance; perhaps my hon. friend does not know that

the department does not care what uniforms the cadets wear. They can wear white shirts and blue trousers or anything they like; they can wear dresses if they want to. There is no requirement that they have a military uniform or any uniform. With regard to rifles, it is entirely a matter for the local authorities whether they desire that they be carried. Cadet training is primarily for the purpose that my hon. friend points out in the resolution, namely, physical training, and I regret that my hon. friend feels that it should be removed from the department over which I have charge.

Mr. WOODSWORTH: The minister has not quite caught my point. It is not what I personally feel about it, but what the province of Manitoba feels about it. In the resolution which I have just read the provincial house declared that cadet training fosters militarism, and it believes it ought to be discouraged within the bounds of the province of Manitoba.

Mr. RALSTON: It is a resolution of the provincial house addressed to the provincial government; is it not?

Mr. WOODSWORTH: The provincial house passed the resolution.

Mr. RALSTON: Urging the provincial government to discourage it; did it not?

Mr. WOODSWORTH: Yes, and the government accepted that resolution. My question is, what is the minister going to do in the circumstances?

Mr. RALSTON: I have had no communication from the Manitoba government at all.

Mr. WOODSWORTH: I shall be glad to place in the hands of the minister a copy of the votes and proceedings of the Manitoba assembly containing this resolution.

Mr. RALSTON: The resolution calls on the government of Manitoba to discourage cadet training.

Mr. WOODSWORTH: It was a resolution accepted by the government and passed by the provincial legislature.

Mr. RALSTON: But still it only deals with action to be taken by the government of Manitoba; does it not?

Mr. WOODSWORTH: No, it is the action of the whole house.

Mr. RALSTON: But it calls on the government of Manitoba to discourage the training?

Mr. WOODSWORTH: Yes.

Mr. RALSTON: We have had no communication from the government of Manitoba regarding it.

Mr. WOODSWORTH: Now that the legislature of the province of Manitoba is definitely opposed to cadet training, is the minister going to permit the officer in charge of the cadet movement to go into the schools in various parts of Manitoba to try and induce them to introduce military training?

Mr. RALSTON: My answer, and I am sure it would be my hon. friend's too if he were in my position, is that I would prefer to receive representations from those who represent the people of Manitoba officially—that is the provincial government—rather than taking notice of a resolution of the house which itself is expressly directed to the government of Manitoba, from whom generally communications of that kind are sent.

Mr. WOODSWORTH: Quite so, and I think I can promise that the government of Manitoba sends a communication to the minister. In the meantime are we going to have Colonel Gillespie going to the school board next year or writing another letter to the school board asking that military training shall be introduced into the schools at Winnipeg?

Mr. RALSTON: I have already dealt with that. I think we are talking at cross-purposes. The matter of disciplining Colonel Gillespie has passed, and I think my hon. friend, as a fair-minded man, will agree that I should not be called upon to pronounce now upon the disciplining of Colonel Gillespie on a hypothetical set of facts, and before the circumstances that he suggests might arise do arise.

Mr. BLACK (Yukon): In view of the minister's announcement that it is his policy to disestablish the military pay corps, is the same policy to be followed with regard to the military records branch and the historical section of it?

Mr. RALSTON: The historical section is practically all civilians, except perhaps the director and assistant director.

Mr. BLACK (Yukon): Is it the policy of the department to do away with the military records branch?

Mr. RALSTON: There has been some discussion as to whether the historical section had not better go to the archives, and I will tell my hon. friend why we have thought it advisable for a little while at least to keep

it with the department, and that is because there is a great deal of information asked for by the units from time to time which can perhaps be better supplied under our auspices than when it goes to the archives.

Mr. ROSS (Kingston): Then there is no decision as to the pay corps, the historical section, and the military records branch?

Mr. RALSTON: My hon. friend is right so far as the historical section is concerned. So far as the pay corps is concerned, it has been decided that it shall be under the chief accountant for purposes of administration.

Mr. ROSS (Kingston): The minister must know that there is a great deal of dissatisfaction because it was decided at one time that a certain policy was going to be adopted; but something happened between then and the present time to stop it. I think the minister should submit a statement to the house with regard to these matters rather than allow the information to leak out to members of the house in an underground way. There were some other matters that I wished to take up, but I do not wish to delay the committee. There were matters in connection with the Royal Military College. The minister knows what they are. I am not dropping these things. I shall not take up time to deal with them now, but I shall follow them up later.

Mr. BENNETT: I have to ask the minister's attention to one matter. He will recall that tenders were asked for the construction of beacons on the airway between Calgary and Winnipeg. The specifications and the plans apparently were taken from the American government's specifications. I hold in my hand a copy of the plans. I think it is very bad practice that there should appear on the plans these words: "Department of Commerce, Airways Division, Serial No...." A blank is left for the serial number, and a blank for the name of the manufacturer. Then come the words, "Department of Commerce, U.S. Airways." The specifications call for inspection by the representative of the bureau of lighthouses, and tanks must receive the initial test in his presence. The contractor shall furnish without cost to the United States complete facilities including all necessary labour, instruments, tools, and so forth, for the inspection of all material and workmanship. On the strength of these specifications certain Canadians tendered for that work, and they based their prices upon the cost of securing from local manufacturers in Winnipeg, namely, the Vulcan Iron Works, tanks that would meet with the specifications.

[Mr. Ralston.]

Mr. RALSTON: Would my hon. friend read the details as to the tanks?

Mr. BENNETT: I was endeavouring not to take up too much time. I will read the memorandum:

Specifications for gasoline storage tanks of approximately 515 gallons capacity.

Kerosene or gasoline storage tanks of approximately 515 gallon capacity suitable for installing above ground complete with a 6 inch channel and screen vent header and as shown on sketch No. 40 attached.

That is a reproduction of the American sketch.

Tanks shall be approximately 48 inches diameter by 66 inches long with bumped heads 5/16 inch thick, and shall be 3/16 inch thick with all seams electrically welded and tested to 30 pounds per square inch air pressure, at which pressure the tank shall be air tight. Longitudinal seams shall be riveted, also tanks shall conform to the specifications of the national Board of Fire Underwriters.

That is an American organization. The closing words are these:

Workmanship shall be first class. All welding shall be of high quality, free from cracks, pin holes, porousness, burns, etc. In no case will the sealing of cracks, by peening, be permitted. Flaws in welding may be sealed only by rewelding and then at the option of the inspector.

Inspection will be made at the contractor's works by a representative of the Bureau of Lighthouses and tanks shall receive the initial test in his presence. The contractor shall furnish without cost to United States complete facilities including all necessary labour, instruments, tools, etc., for the inspection of all material and workmanship.

Bidders will state approximate shipping weight per tank in pounds.

Now the tanks in situ are tanks which it is submitted by those who have inspected them are not tanks answering to this specification. They have not been inspected by any person representing the inspecting authority mentioned, and they were produced by local manufacturers at about $40 per tank, whereas the lowest price quoted by the Vulcan Iron Works on this class of tank was $120. As a result the job went to other tenderers—which might well be of course in any case—than to the tenderers who complained.

Mr. RALSTON: Other than the Vulcan Iron Works?

Mr. BENNETT: They were producing only this part; they were not tendering for the whole work. The sketches and plans are wholly of American preparation, and they look to me to be merely plans photographed from American plans prepared for other purposes. I hand these to the minister.

I think this is a very important matter, and in connection with it I want to put this con-

sideration before the minister. One of the difficulties that Canadian manufacturers are suffering from arises from the fact that when branches of manufacturing organizations in foreign countries are established here an effort is made to standardize every product that is required by naming specifically their particular make of goods. If an American architect is consulted he asks for some standard product produced in his country, and in other branches, be it engineering or any of the allied professions, the same situation prevails. So we have tenders called for the construction of beacons for airways, and the specifications involve inspection by a man from Washington representing the Bureau of Lighthouses; they involve construction in conformity with United States standards. The hon. minister will observe from the brown prints—rather than blue prints —which I have sent across the floor to him, that in that particular also a United States beacon and not Canadian beacon is contemplated, and that the words "Department of Commerce" are marked upon the brown print as well as the words "U.S. Airways." I protest against that, and I trust the minister will take steps to see that something is done better to protect Canadian industry than would appear to have been done in this case; and that further steps be immediately taken for the purpose of ascertaining why these beacons have not been inspected as provided by the specifications.

Mr. RALSTON: As my hon. friend appreciates, this is a complete surprise to me.

Mr. BENNETT: Quite so, I only got it myself a short time ago.

Mr. RALSTON: I have just been speaking to the Controller of Civil Aviation here and the information that he is able to give me at the moment is this. He feels satisfied that the actual specifications and call for tenders which went out contained no reference to the American details or to the American plans, except one, and I have it in my hand.

Mr. BENNETT: That is the one I sent across the floor to the minister. It is part of the set.

Mr. RALSTON: He feels that some contractor may have sent to Washington and got these American specifications. He says the specifications were all made over on Canadian lines. It is true the United States has gone further in the matter of lighting airways than any other country, but we have no intention of encouraging American manufacturers of this equipment. The records of my department will show that we are trying to encourage Canadian manufacturers, and after Canadians then British manufacturers. The Controller of Civil Aviation feels that there is some mistake. He tells me the specifications were entirely revamped along Canadian lines. May I point out to my hon. friend that on one of the prints he sent me there appears in the corner the words "Department of National Defence"—

Mr. BENNETT: Yes, that makes it all the worse.

Mr. RALSTON: Yes; on the face of the drawing there also appears indications of the words "Department of Commerce" as though made by a rubber stamp. I appreciate my hon. friend bringing the matter to my attention, for we do not want things of this sort to occur. We are drafting our own specifications for these beacons, and as far as Canadian manufacturers are concerned we are endeavouring to protect them and develop Canadian industry, not only in connection with this equipment but in connection with aircraft manufacture in every possible way. I believe this contract was let to the Canadian General Electric.

Mr. BENNETT: Yes. My hon. friend will see that his suggestion that that plan came from Washington is negatived by his reference to what appears in the corner, because on all the three brown prints he will find a reference to Canadian Airways Limited down in the lefthand corner.

Mr. RALSTON: I see it.

Mr. BENNETT: So clearly this is a plan that was official. What I object to is that we are placing ourselves in such a position that we will be dependent in the worst sense of the term on "standardized" American equipment.

Mr. RALSTON: There was no inspection by the man from Washington.

Mr. BENNETT: But there has been no inspection of any kind in connection with the tanks.

Mr. RALSTON: The Controller of Civil Aviation states that our own departmental inspector inspected the beacons and tanks.

Mr. BENNETT: I am referring solely to the tanks, because they were produced at a cost just one third of that quoted by the Vulcan Iron Works.

Mr. QUINN: The minister is just as familiar as I am with the situation in Halifax with respect to military property. Forty-five per cent of the property there is tax exempt,

and 188 properties in the city are held by the military authorities with an assessed valuation of some $3,000,000. Now that the military force has been considerably reduced there is no longer any necessity for maintaining and holding these properties. I might mention the Sackville street property, the old artillery and engineers' barracks which could very well be turned over to the city and a thoroughfare provided through from Brunswick street to the south end of the city. There is another property which would be of great advantage to the city authorities for rental purposes; I refer to the old ordnance property. I think it could very well be turned over to the civil authorities. This is a matter which seriously affects the city of Halifax. There is a great deal of tax exemption on these government properties. There are military, federal, provincial, civic, charitable and church institutions, and because of them the taxpayers find themselves in an unfortunate position. Their tax rate is very high because of these exempted properties. Would the minister make a statement as to the intention of the government in connection with these properties?

Mr. RALSTON: I wish I could give my hon. friend more definite information. As he knows, representations have been made to me by representatives from the city council and board of trade. These representations were made unofficially but nevertheless earnestly. May I say to my hon. friend that I have worked and am working in every way to see if there is a possibility of greater concentration in connection with the military properties of Halifax. I might say however that the situation is no more satisfactory from a military than it is from a civic standpoint. The difficulty is to get the money in order to effect these changes. At the present time we are trying to improve the Wellington barracks which have been vacant for a long time and I am hopeful that we may be able to concentrate some troops at that point.

Mr. QUINN: How soon may we expect to have the Royal Canadian Regiment transferred to that barracks?

Mr. RALSTON: My hon. friend knows that at least one company of that regiment is down there now.

Mr. BENNETT: Will the minister have one of his officials investigate the coal question in the city of Moose Jaw? I am not asking for details, in view of the short time at our disposal.

Mr. RALSTON: Very well, I shall do so.

Item agreed to.

[Mr. Quinn.]

Battlefields Memorials, $144,000.

Sir GEORGE PERLEY: Can my hon. friend tell me when the Vimy memorial will be completed?

Mr. RALSTON: To answer that question I could make only a more or less informed guess. I have been over there myself, and I can only hope that it may be sufficiently completed by 1932 to permit unveiling. Colonel Osborne, the Secretary of the Canadian Battlefields Commission, which is in charge of the work, is there at present and is making complete investigations, and we will be better informed when he returns.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Dairying, including grant of $5,000 to National Dairy Council and new buildings, $295,000.

Sir GEORGE PERLEY: I directed a question to the minister, which I believe appears on the order paper for to-day, and I believe this would be the opportune time to have the answer. I asked first as to the salary of the Montreal district veterinary inspector. My second question was as to where he resided, and my third as to whether he is expected to devote his whole time to this work.

Hon. W. R. MOTHERWELL (Minister of Agriculture): I have prepared an answer to the question of my hon. friend. In answer to the first question, I find that the minimum salary is $2,640, the maximum $3,000, and the present salary, $2,760. I am informed that he resides at Huntingdon, Quebec, and that he is expected to devote his whole time to this work.

Mr. BENNETT: I suggest that we pass the items with the understanding that we might have a general discussion when the items are completed.

Item agreed to.

Health of Animals—administration of the Animal Contagious Diseases Act and the Meat and Canned Foods Act, and necessary buildings, $2,550,000.

Mr. BENOIT: With regard to this item, Mr. Chairman, I regret very much to see that it has been reduced by $400,000. I should like to point out to the minister that although this government has been somewhat generous in introducing vast restricted areas for the eradication of bovine tuberculosis, many complaints have been received from cattle owners whose herds have been depleted by the tubercular test without their receiving a substantial indemnity, and they have thereby

sustained considerable losses. Some of these farmers were not in a position to stand such losses and have had to quit their farms and go to the cities, thus increasing the number of unemployed. I wonder if the Department of Agriculture could not be a little more generous with the farming community and increase the indemnities paid for cattle which prove to be reactors in the tubercular test. I suggest that the minister increase this indemnity by at least 50 per cent in the case of cross-bred cattle and 25 per cent in the case of pure-bred cattle. The present indemnity is two-thirds of $150 for the pure-breds and of $60 for the cross-breds, and I think every hon. member will agree that this indemnity is not sufficient. During the fiscal year ending March 31, 1930, out of a total vote of $2,450,000 the owners of cattle slaughtered under these regulations received a total of $669,651.05, the average indemnity for pure-breds amounting to $77.10 and to $32.58 for the cross-breds. If we estimate that the pure-breds amount to 20 per cent and the cross-breds to 80 per cent of all the cattle, the increase would be almost $300,000 a year, basing the figures on last year's returns. This eradication of bovine tuberculosis being a question of public interest, it is only fair that the sufferers should not bear more than their fair share of this loss. What is an increase of $300,000 a year in the estimates of the Department of Agriculture, which has to do with the great basic industry of this country, when you look at the grants made to other departments? Just look at page 4 of the main estimates and it will be seen that my suggestion is not unreasonable.

Referring to agricultural conditions in this country, I believe hon. members will remember that a few years ago at the request of a certain group in the house for the establishment of a rural credit system similar to that which has prevailed in Europe since 1770, this government appointed Doctor Tory in 1923 or 1924 to study the European and United States systems. The results of his survey were submitted to this government in 1924 or 1925, and it was recommended that a rural credit system of long term loans should be established. A bill was introduced in the house in 1926, but because of the tragic ending of that session it did not pass. At the following session we had a bill from the Senate, which passed this house, and the Canadian Farm Loan Board was established under the provisions of chapter 66 of the revised statutes of Canada.

This board was a long time organizing, but finally it began its work in the early part of 1929. In the bill the rate of interest was not specified; that matter was left to the board. These credits having been established to aid the farming community by making loans at a reasonable rate of interest, the prospective borrowers in Quebec were greatly disappointed when the board announced that the rate of interest would be 6½ per cent, while the average rate prevailing was only about 5½ per cent. Protests were heard everywhere in Quebec, but so far no action has been taken. On March 20, 1930, I placed a resolution on the order paper recommending that the rate of interest be reduced by one per cent, but unfortunately my resolution was not debated. On April 10 a petition was addressed to the Minister of Finance signed by ninety-five members of the house requesting that the rate of interest charged by the board on loans to farmers should be decreased by one per cent, but this also was without result.

In all fairness to the farming community I make the assertion that our request is only reasonable. The rate of interest is too high; the farmers cannot afford to pay 6½ per cent. Profits are too small in agriculture; if it were otherwise you would see the big financiers of St. James street operating farms. Look at our experimental farms; do you think they make any profits? The public accounts for the fiscal year ending March 31, 1929, show that $1,887,037.30 was voted for experimental farms, and in the same volume will be found an item showing that experimental farm produce sold for $171,359.80, leaving a discrepancy of $1,715,677.50. I do not wish to cast any reflection on the management of the experimental farms; I know that work is carried on by the most honest people in this country, but I use this illustration in order to show the force of my argument.

I will go to another source for information with respect to the profits made from agriculture. I hold in my hand bulletin No. 98, published by the Department of Agriculture, relating to a survey made in six counties of Quebec by Mr. F. A. Ste. Marie, B.S.A., of the division of animal husbandry. That survey is for the year ending June 1, 1920, and I see at page 6 of the bulletin a table which shows that the average annual profit on 1,148 farms which were thoroughly surveyed amounted to $463. That represented the total annual wages of the owner of the farm, of his wife—because you know the wives help their husbands on the farms—and of the children under fourteen, who also work in the farming communities. Just compute the capitalization of these farms, where there is no watered stock. It happens that the total actual capital engaged amounts to $22,618,451, including the value of live stock and farm implements. This capital yields the enormous

amount of $521,524, which works out at 2·3057 per cent of a dividend, much less than the dividends paid by some corporations which are over-capitalized by 300 per cent. It is to noted that one per cent of the actual capital tied up in these farms is equivalent to 45 per cent of the annual wages of the owner and his family. No. hon. member will suggest that the farmer is over paid.

This all means that the rate of interest paid by the farmers is very important. Since this survey was made in 1920 some people may think farming conditions very different to-day, and as a matter of fact they are very different, notwithstanding the fact that during 1919 and 1920 Canadian products were selling at much higher prices. I would refer hon. members to the Labour Gazette of March, 1930, at page 350.

I am inclined to believe that the guarantees offered by the farmers are first-class in character. The loans are made on 50 per cent of the value of the land and 20 per cent of the value of the buildings, which means that when the buildings are valued at the same price as the land the percentage is reduced to 35 per cent of the whole estate. I do not think this is quite fair to the farmer, and the law should be changed in order that loans can be made on 50 per cent to 55 per cent of the whole estate.

It might be said that a reduction of one per cent in the rate of interest would not amount to anything. I have prepared five different tables which show the growth of a small investment made at the end of each year over a period of 33 years.

The value of an investment of one dollar made at the end of the year, bearing interest at four per cent, compounded annually during the period of thirty-three years is equivalent to $66.21. The following statement shows the surplus paid by a borrower during a period of thirty-three years, when a 6½ per cent rate has been paid instead of a 5 per cent rate:

On a loan of $1,000.—$10 yearly, equivalent to $662.10 after 33 years.
On a loan of $2,000.—$20 yearly, equivalent to $1,324.19 after 33 years.
On a loan of $3,000.—$30 yearly, equivalent to $1,986.29 after 33 years.
On a loan of $4,000.—$40 yearly, equivalent to $2,648.38 after 33 years.
On a loan of $5,000.—$50 yearly, equivalent to $3,310.48 after 33 years.
On a loan of $6,000.—$60 yearly, equivalent to $3,972.59 after 33 years.
On a loan of $7,000.—$70 yearly, equivalent to $4,634.67 after 33 years.
On a loan of $8,000.—$80 yearly, equivalent to $5,296.76 after 33 years.
On a loan of $9,000.—$90 yearly, equivalent to $5,958.86 after 33 years.
On a loan of $10,000.—$100 yearly, equivalent to $6,620.95 after 33 years.

[Mr. Benoit.]

If the request made to reduce by one per cent the rate of interest actually exacted by the Canadian Farm Loan Board from farmer borrowers was met, the difference between the now prevailing rate of 6½ per cent and the proposed rate of 5½ per cent on a $10,000 loan, compounding the interest at 4 per cent during a period of thirty-three years, would be the capitalized amount of $6,620.95, the actual present value at 4 per cent being $1,814.75.

The value of an investment of one dollar made at the end of the year bearing interest at 5 per cent compounded annually during a period of 33 years, is equivalent to $80.64. The following statment shows the surplus paid by a borrower during a period of 33 years, when a 6½ per cent rate has been paid instead of 5 per cent:

On a loan of $1,000.—$10 yearly, is equivalent to $800.64 after 33 years.
On a loan of $2,000.—$20 yearly, is equivalent to $1,601.28 after 33 years.
On a loan of $3,000.—$30 yearly, is equivalent to $2,401.91 after 33 years.
On a loan of $4,000.—$40 yearly, is equivalent to $3,202.55 after 33 years.
On a loan of $5,000.—$50 yearly, is equivalent to $4,003.19 after 33 years.
On a loan of $6,000.—$60 yearly, is equivalent to $4,803.83 after 33 years.
On a loan of $7,000.—$70 yearly, is equivalent to $5,604.46 after 33 years.
On a loan of $8,000.—$80 yearly, is equivalent to $6,405.10 after 33 years.
On a loan of $9,000.—$90 yearly, is equivalent to $7,205.10 after 33 years.
On a loan of $10,000.—$100 yearly, is equivalent to $8,006.38 after 33 years.

The above statement shows the difference in a loan made by the Canadian Farm Loan Board to a farmer in Quebec and one made to a farmer in Ontario borrowing from the agricultural development board. The saving of the Ontario farmer during a period of 33 years, placed at 5 per cent compound interest on a $10,000 loan, would represent a capital of $8,006.38, the actual present value being $1,600.17 at 5 per cent.

The value of an investment of one dollar made at the end of the year bearing interest at 3 per cent compounded annually during a period of 33 years, is equivalent to $55.08. The following statement shows the surplus paid by a borrower during a period of 33 years when a 6½ per cent rate has been paid instead of 5 per cent.

On a loan of $1,000.—$10 a year, is equivalent to $550.78 after 33 years.
On a loan of $2,000.—$20 a year, is equivalent to $1,101.56 after 33 years.
On a loan of $3,000.—$30 a year, is equivalent to $1,652.34 after 33 years.
On a loan of $4,000.—$40 a year, is equivalent to $2,203.12 after 33 years.
On a loan of $5,000.—$50 a year, is equivalent to $2,753.90 after 33 years.

On a loan of $6,000.—$60 a year, is equivalent to $3,304.68 after 33 years.
On a loan of $7,000.—$70 a year, is equivalent to $3,855.46 after 33 years.
On a loan of $8,000.—$80 a year, is equivalent to $4,406.24 after 33 years.
On a loan of $9,000.—$90 a year, is equivalent to $4,958.02 after 33 years.
On a loan of $10,000.—$100 a year, is equivalent to $5,507.78 after 33 years.

The above table shows the advantage which would accrue to the farmer borrower if he were charged 5½ per cent interest instead of 6½ per cent. The excess of interest which he is forced to pay on a $10,000 loan if placed in a savings bank would represent after 33 years a capitalized amount of $5,507.78; the actual present value at 3 per cent being $2,076.43.

The value of an investment of $1.50 a year made at the end of the year with compound interest at 5 per cent, would represent a capitalized amount of $120.10. The interest charged by the Canadian Farm Loan Board is 6½ per cent, while the rate charged by the American federal Farm Loan Board is 5 per cent. The value of the savings to the American farmer, placed at 5 per cent compound interest for a period of 33 years is shown by the following statement:

On a loan of $1,000 savings are $15 yearly, equivalent to $1,200.96 after 33 years.
On a loan of $2,000 savings are $30 yearly, equivalent to $2,401.92 after 33 years.
On a loan of $3,000 savings are $45 yearly, equivalent to $3,602.87 after 33 years.
On a loan of $4,000 savings are $60 yearly, equivalent to $4,803.82 after 33 years.
On a loan of $5,000 savings are $75 yearly, equivalent to $6,004.78 after 33 years.
On a loan of $6,000 savings are $90 yearly, equivalent to $7,205.74 after 33 years.
On a loan of $7,000 savings are $105 yearly, equivalent to $8,406.70 after 33 years.
On a loan of $8,000 savings are $120 yearly, equivalent to $9,607.65 after 33 years.
On a loan of $9,000 savings are $135 yearly, equivalent to $10,808.61 after 33 years.
On a loan of $10,000 savings are $150 yearly, equivalent to $12,009.57 after 33 years.

At 5 per cent the actual value of $12,009.57 for to-day is $2,397.77.

The value of an investment of $1.50 a year for a period of 33 years, bearing interest at 3 per cent compounded yearly, is represented by a capitalized amount of $8.62. The interest charged by the Canadian Farm Loan Board is 6½ per cent, while the rate charged by the American Farm Loan Board is 5 per cent. The value of the savings to the American farmer placed at 5 per cent compound interest for a period of 33 years is shown by the following statement:

On a loan of $1,000, savings $15 yearly, is equivalent to $826.17 after 33 years.
On a loan of $2,000, savings $30 yearly, is equivalent to $1,652.34 after 33 years.
On a loan of $3,000, savings $45 yearly, is equivalent to $2,478.50 after 33 years.
On a loan of $4,000, savings $60 yearly, is equivalent to $3,304.87 after 33 years.
On a loan of $5,000, savings $75 yearly, is equivalent to $4,130.83 after 33 years.
On a loan of $6,000, savings $90 yearly, is equivalent to $4,957 after 33 years.
On a loan of $7,000, savings $105 yearly, is equivalent to $5,783.17 after 33 years.
On a loan of $8,000, savings $120 yearly, is equivalent to $6,609.34 after 33 years.
On a loan of $9,000, savings $135 yearly, is equivalent to $7,435.50 after 33 years.
On a loan of $10,000, savings $150 yearly, is equivalent to $8,261.67 after 33 years.

At 5 per cent the actual value of $8,261.67 for to-day is $1,650.67.

Borrowers are compelled to take shares from the Canadian Farm Loan Board, and they are allowed only 5 per cent compound interest. Subsection 4, section 9, chapter 66, revised statutes of Canada, 1927, cover this point. In addition to this, they have to pay 6½ per cent for the money used to buy the share. I think something should be done to cure this anomaly. It will probably be said that money cannot be borrowed on our security markets at a rate cheap enough to make loans to farmers at 5½ per cent. The following is a report published by the Banque Canadienne Nationale, dated May, 1930, as follows:

Dominion loans are yielding as follows:
5½ per cent due 1932 sells for $100.50 yields $4.63.
5½ per cent due 1934 sells for $102.25 yields $4.94.
4½ per cent due 1940 sells for $97.85 yields $4.76.
5 per cent due 1943 sells for $102.30 yields $4.77.
4½ per cent due 1944 sells for $97.75 yields $4.72.
4½ per cent due 1946 sells for $97.85 yields $4.69.

All tax exempted

C.N.R. guaranteed by government.
5 per cent due 1954 sells for $102.50 yields $4.82.
5 per cent due 1969 sells for $10.50 yields $4.80.
4½ per cent Montreal city 1950 sells for $97, yields $4.73.
4½ per cent Montreal city 1970 sells for $96.50, yields $4.69.
5 per cent City of Sorel 1952 sells for $100, yields $5.00.
4½ per cent C.P.R. 1954 sells for $103, yields $4.80.
5 per cent Abitibi power 1953 sells for $88, yields $5.95.
5 per cent Bell telephone 1957 sells for $103.50, yields $4.76.
6 per cent Beauharnois 1959 sells for $100, yields $6.00.
5 per cent Montreal L.H. & P. Co., 1970 sells for $101.50 yields $4.92.
4½ per cent Shawinigan 1967 sells for $95.50, yields $4.75.
5 per cent Shawinigan water and power 1970 sells for $102.50 yields $4.86.

There are other bond securities which do not earn 5 per cent for the investor, but I believe

I have proven that the Canadian Farm Loan Board could sell its bonds at a rate of interest not exceeding 5 per cent. If there was any hesitancy on the part of the public to buy these bonds—they are considered to be a first class security—it should be possible for the government to endorse them, as is done with the Canadian National bond. I contend that the cost of administration of the board at Ottawa should be borne by the government, as is the case with other commissions. Where there is an agency of the board in the different provinces, the provincial government should bear that cost.

The twelfth report of the federal Farm Loan Board of the United States shows that loans are made from east to west in that country at the rate of 5 per cent. One exception is a small area where the rate is 5¼ per cent. The Canadian farmer should receive the same treatment as does the American farmer. The province of Ontario is making loans to farmers at 5½ per cent without requiring that any shares be purchased. I am informed that in Denmark loans to farmers bear a rate of 4½ per cent, and in France from 4½ per cent to 5½ per cent.

I believe I have demonstrated that the conditions prevailing in this country do not warrant the rate of 6½ per cent charged by the Canadian Farm Loan Board, and that the bonds could be sold on the market for a rate not exceeding 5 per cent. I trust that in the near future this government will grant the request made by the farmer borrower, and thus keep the farmers on the land and away from the cities where they might increase the number of unemployed. Might I add, in closing my remarks that, notwithstanding the present agricultural conditions prevailing in this country, farmers, when all is considered, are better off than most workers in cities, where life is so intricate. Many factors contribute to lowering the cost of rural life. Beside being free from monthly rent, a great number of farmers draw from the soil part of the subsistence for their families as well as their fuel. What must we think of the numerous occasions which city people have of spending their savings, these opportunities do not exist in rural districts.

For these reasons and many others which would take too much time to enumerate, I cannot too strongly urge upon the farmer to cling more closely to the soil which, it is true, will not always bring him wealth, but, in return, will assure him a frugal, peaceful and happy life.

Mr. MOTHERWELL: Mr. Chairman, replying very briefly to the statement made by the hon. member for St. Johns-Iberville (Mr. Benoit), I would state that the compensation paid in the case of pure-breds is two-thirds of the valuation of $150, and in the case of cross-breds, two-thirds of $60. This is the highest compensation in the world for tuberculin cattle, and any proposal to raise these rates would have to be considered very carefully. It must be considered that the owner of the animal receives any salvage which might be saved from the slaughtered beast, and this runs up to as high as $50 in some cases. I shall be very glad however, to give this matter my consideration.

Mr. COOTE: Mr. Chairman, I would like to bring to the minister's attention the question of hog grading at Calgary. I have brought this matter to the attention of the minister before, but there is another feature which has perhaps been overlooked. Under the present practice at Calgary hogs are going to the abattoir without being graded, which hogs are paid for by the packing plant on a basis of their own grading. The farmer is under the impression that those hogs have been graded by the government grader, and it would seem as if the whole system of grading had fallen into disrepute. The farmer raises a select hog which is sent to the abattoir, but his statement and cheque shows a payment on the basis of butcher hogs. Naturally, the farmer thinks that these hogs have been graded by the government grader, and he begins to think that there is no use raising select hogs.

I think this matter could be taken care of by issuing instructions to the graders that a slip certifying to the grade of the animal be sent to the producer. I took this matter up with the grader at Calgary and he seemed to think that the only difficulty would be the need of additional clerical help in the office. I think the estimates are large enough to cover the carrying out of this suggestion.

I know of one case where hogs were shipped to Calgary during the month of February, which were presumably graded as butcher hogs. The cheque came back from the packing house making payment on that basis. The shipper went after the graders at Calgary who finally admitted that these hogs had not been seen by them. An offer of settlement was made for whatever difference this man might claim because of the difference in grading. In his letter to me he enclosed the cheque which he had received from Burns and Company, as well as the statement. This showed that apparently in many cases the hogs sent to the packing plants had not been graded, and I would like to have the assurance of

the minister appear on Hansard in order to satisfy the farmers in that area who have been raising hogs. They should be assured that they will be able to secure a certificate from the government grader.

Mr. MOTHERWELL: An amendment had been prepared to the Live Stock Products Act wihch would have taken care of part of the complaint made by the hon. member for Macleod (Mr. Coote). In this present instance, it would seem as though the grader had been delinquent in his duties. This is the first time this matter has come to my attention, but an inquiry will be instituted and if the grader is found to be guilty instant dismissal will follow. This is the first case of its kind that has come to my attention and this is what started the difficulty. Certain legislation or a more stringent regulation is required.

Mr. COOTE: Can the minister assure us that in any case where the hogs are graded by inspectors, the certificates will be sent back the same as in the case of the grading of grain?

Mr. MOTHERWELL: Yes. That was the very essence of the recent regulations, to get the certificates back to the owner of the animal so that he might know how he was being dealt with by the packer or the buyer. With regard to the difficulty which has increased in getting hogs graded off trucks, we had provision for that in the new bill proposing an amendment to the Live Stock and Live Stock Products Act, but we shall have to defer it. The house at this stage of the session does not like these grading bills, so we shall just let it go. We had a little flurry last night over the innocent maple sugar bill; what would have happened if we had introduced a new bill in regard to hogs, I can hardly imagine.

Mr. MANION: Is it possible that the minister has missed appointing any inspectors?

Mr. MOTHERWELL: I fancy this is one requiring to be fired.

The CHAIRMAN: I should like to remind the committee that we have been in session for five hours to-day. We have passed some eighty items of the estimates and there are some 200 or more remaining.

Mr. LUCAS: During this session a delegation from the live stock pools waited upon the government requesting that a grant be given for the erection of a demonstration plant to establish the cost of processing. What is the intention of the government with regard to dealing with that matter?

Mr. MOTHERWELL: I do not know that we have come to that. In the supplementary estimates there is an item providing for an inquiry into the live stock situation.

Mr. LUCAS: I have not seen that.

Mr. MOTHERWELL: We will possibly deal with that then.

Item agreed to.

Cold storage warehouses, further amount required, $200,000.

Mr. FRASER: A year ago, when this item was under consideration, I reviewed the necessity for the establishment of another experimental farm in central British Columbia. At that time the minister was good enough to promise me that during the following year, that is last year, his officials would make a survey of the situation. Was that survey made, and if so, has a report been made to the minister in regard to it?

Mr. MOTHERWELL: Last summer I was in British Columbia and I had hoped to visit that interesting district represented by my hon. friend, but subsequent events, to which I do not need to refer, interfered with my year's program, and we have not been able to make that survey. I regret that fact very much. I do not know whether it would have made any difference, because I have no money for another experimental farm anywhere in Canada.

Mr. SPENCE: I should like to discuss some of the items in the main estimates in regard to agriculture. For instance, under the item of "fruit, including grant of $8,000 to Canadian Horticultural Council and necessary new buildings," there is an increase of $120,000. The government has gone wild in the erecting of new buildings everywhere. Another item is "for experiments in dehydration of fruits and vegetables." I notice there is a decrease in that item. Experiments in this connection have been going on for many years. There is no necessity for the item, because the results of those experiments will never be of any commercial value and the cost involved is simply a waste of money. Then, under "entomology," there is an increase of $5,000. This may not be large, but these branches are started with a few employees, and the first thing you know there is a whole army of them.

As regards the item "administration of Destructive Insect and Pest Act and necessary buildings", there is an increase of $75,000. What is the minister going to do? Is he going to erect a big new building in which to house Motherwell's moth, in beautiful glass

cases? This is a piece of nonsense. As regards the item "publications", fifty per cent of them are never seen by anybody, and fifty per cent of the people who get them never read them. They are lying around all over Canada and the mail men are being killed carrying them.

In the item "Farm economics, including agricultural cooperative marketing" there is an increase of $2,000. Who asked for all this kind of stuff? There is a grant to the executive committee of the World's Grain Congress of $100,000. Who are they, and where do they come from? I may be ignorant, but I want to know where some of this money is going. I think the minister has lived long enough to know there should be some economy in his department.

Mr. BENNETT: It is going to Saskatchewan.

Mr. MOTHERWELL: The main estimates are decreased by $375,000.

Mr. SPENCE: Well, the minister has cut it off something he should not have cut it off. He is increasing it on something he should not increase it on.

Mr. ROSS (Moose Jaw): I would like to reply to the leader of the opposition who said that the members of Saskatchewan are always endeavouring to get the Minister of Agriculture to spend money.

Mr. BENNETT: To appoint inspectors.

Mr. ROSS (Moose Jaw): Neither this government nor any other government in Canada has ever spent enough money on agriculture. It is about time that governments in Canada started to spend money on agriculture.

Mr. SPENCE: I am not discussing agriculture; I am discussing these sidelines that do not pertain to agriculture at all.

Mr. COOTE: Last year money was voted to erect a seed warehouse in Saskatchewan. At that time the minister said he would be willing to do the same thing in the other provinces when they were ready for it. As nothing has been built in Alberta since, and I am sure they have not asked for a new warehouse, still they did ask for an annex to be built to the government warehouse at Edmonton. I understand, however, the Department of Trade and Commerce are not very favourable to that suggestion. In the meantime I would like to ask the minister whether he will renew that promise so that when next year the Seed Growers' Association are ready for that warehouse it will be forthcoming.



Mr. MOTHERWELL: I think the offer stands, as we shall all be here in our present capacities next year.

Mr. KAISER: Just a word or two in regard to the item for health of animals. The public accounts show that $500,000 was spent last year in one province in the matter of preventing tuberculosis. I am not finding fault with the endeavour to eradicate the disease, but I want to point out the futility of spending $750,000 or $1,000,000 a year under the existing circumstances, for this reason: if you have twenty per cent tubercular conditions existing over an area and you do not discover the reason and remedy the cause, you will have to repeat that expenditure every year. I want to impress upon the minister that there are some conditions underlying this that require investigation. The method of handling the slaughtering of those cattle is not fair to the farmers. The position is that the inspector comes along and says that so many cattle are affected with tuberculosis and the farmer receives a certain sum from the government. A drover takes them away to the market and then brings back a certificate. I would like to point out what the United States government does in this regard. In this country the farmer for his salvage gets about $15 a head. In every state of the union the government takes the salvage and undertakes to market it and gets for the farmer all that is in the discarded animal, and they have increased to the farmers from that source eight to ten dollars per year for the last few years. In Canada the farmer gets only fifteen or sixteen dollars for a diseased animal, while the farmer in the United States get $45 to $46 per head. The government is not doing enough along the line of investigating the basic conditions under which cattle are kept and which cause disease to break out among herds. After reading the report of last year I travelled over a thousand miles myself through the province of Quebec where this disease was reported, and I convinced myself that we have not even begun to investigate the conditions under which certain cattle are housed. In this far north part of America we may be mistaken in the way we handle our cattle in the winter, having regard to bovine tuberculosis. In the neighbourhood in which I lived for a great number of years we did not know in those pioneer years about bovine tuberculosis, but herds of cattle were on the decline. There was one farmer who had the finest herds in the district. I will tell the minister who he was. He was the pioneer ancestor of the Aikins family in Canada, the father of Sir J. A. M. Aikins, the late lieutenant-governor of the

province of Manitoba and of the distinguished Doctor Aikins of Toronto. It was an old pioneer family, with magnificent powers of observation. This particular farmer discovered that every animal in his barn required so many cubic feet of space, and he provided a proper system of ventilation for every animal, as well as the right kind of housing, with the result that in a few years his herds surpassed all the other herds in the neighbourhood. Three generations have passed since that day, but to-day the young men in that district still point to the wisdom and the powers of observation of the man who laid the foundations of the healthy herds in that district. I plead with the minister to-day to have an investigation made in those areas in this country where there is such a tremendous amount of bovine tuberculosis. I am satisfied that if the basic conditions are improved, a great deal will have been done to conquer this disease. Otherwise I am satisfied that every dollar you are spending will have to be spent over again in the next few years. It is the underlying conditions that should be investigated apart from what the government should do in seeing that the farmers of this country get what they are justly entitled to in the matter of salvage.

Item agreed to.

To inquire into the live stock industry of Canada through the medium of cooperative marketing, $25,000.

Mr. MOTHERWELL: Last March we had a conference of live stock men in Ottawa discussing the best methods of improving and developing the live stock industry in Canada. Consumption has grown so rapidly that it has overtaken production, and the result is that some of our products have disappeared from the export market. One of the recommendations made by that conference was that we hold an inquiry not only into the live stock situation but into the feed situation, which is closely related to it. That resolution was passed by the whole conference. Later on a section of the conference, the Canadian Co-operative Live Stock Producers, Limited, made a request of my deputy that we adopt the policy of establishing two demonstration packing plants in this country, one in the east and one in the west; but inasmuch as they spoke for just a part of the conference, while the other resolution had been passed by the whole conference, we thought it the wiser and safer course to pursue to put an item in for an inquiry which will be broad enough to cover all phases of the industry. We do not want to establish two abattoirs without knowing where we are going to get off at, especially as that was asked for by only a part of the conference.

Mr. SPENCE: I would warn the minister that the gentlemen who came before the agriculture committee are simply trying to exploit the farmers, and the government should be very careful before spending any money on that scheme, or it will kill the industry.

Mr. SPEAKMAN: I should like to ask the minister as to the system of condemnation insurance, which is exercising the minds of a great many of the farmers, particularly in co-operative societies. A great many of the farmers feel that they have not the slightest idea as to how the money is spent, and who reaps any advantage from that insurance. One cooperative society spent $700 in premiums, and when they lost stock in transit or in the yards they were unable to get any advantage from the insurance. I suggest that a report be issued annually or semi-annually showing how the money is expended, what return there is to those who pay the premium, and who reaps the benefit. I would like the minister to tell us in a few words what is being done now in this connection, under what authority it is being done, and if there is any chance of the people at large securing information as to the results.

Mr. MOTHERWELL: There is no particular authority for charging that. There is an agreement between the packers and a passive acquiescence in it by the farmers. In actual practice it is bound to be less than the condemned animals come to. But the principle is wrong. It is charged on a flat rate basis: the man with clean cattle is charged on the same basis as the man with unclean cattle. In the maritime provinces there is no condemnation insurance because there they have practically no tuberculosis. The moral is: Clean up your animals, and there will be no question of condemnation insurance.

Mr. SPEAKMAN: So long as this condemnation insurance is carried on with the tacit permission of the Department of Agriculture it would help those in cooperative shipping to have a semi-annual statement issued by the stock yards showing the amount of premiums and to whom the indemnities have been paid. In many cases they have not been able to find out to whom the money went.

Mr. MOTHERWELL: I think we can get a statement of the actual losses from condemnation and make a comparison.

Mr. SPEAKMAN: As to who pays the premium and who receives the indemnity?

Mr. MOTHERWELL: Yes.

Mr. VALLANCE: I think the Cooperative Live Stock Producers will feel grateful for the $25,000 to be expended for this purpose. I have had the privilege on more than one occasion to be present with the president and secretary of the live stock producers organization, and I happen to be a member and know something about the organization. I think the investigation will result in bringing out everything that needs to be brought out. But there are 50,000 members in the live stock producers cooperative and unless in the very near future we can get from the government what we asked for this year I cannot see that this $25,000 will be of any great value to us.

Mr. BENNETT: Are all the cooperative enterprises in the west?

Mr. VALLANCE: We have forty-three in the western provinces, and the others are distributed over the eastern provinces.

Mr. ROSS (Moose Jaw): The minister can spend money to no better purpose than in investigating the marketing of live stock and live stock products at the present time. I hope he will expedite his investigation and carry out whatever recommendations may be made.

Mr. BENNETT: What is wanted to save the live stock industry is action, not inquiry. During the last few years the industry has steadily deteriorated with extreme loss to those who formerly found it a lucrative business. Part of this deterioration is attributable to the New Zealand treaty, with the consequent loss of milch cows in this country, a corresponding failure to produce cattle here, followed necessarily by the constantly increasing importations of meat that are to be found in the trade and commerce returns of this country every month for the last year and a half. Until the government takes action the live stock industry will continue to languish. It is one of the most important industries that you can have in the western provinces. I am not a practical live stock man, but I have read enough to know that of all the interests in an agricultural country that should be assisted and maintained by the government live stock is the first. I do think this government has failed to realize the magnitude of the loss suffered and the far-reaching consequences of its failure. What is more, this industry cannot be built up in one year or two, and if my friend from South Battleford (Mr. Vallance) with the best intentions in the world were to start to-day with all the machinery of government behind him it would be two years, if not three, before any appreciable advance in this industry would be observable. I repeat, this condition has been brought about by wrong policies pursued by the government and their failure to realize the importance to this country of immediate action being taken to resuscitate the live stock industry. I say it with conviction, from a study of the trade returns, and from discussions with friends of mine all over western Canada. Their one complaint is: Here is a great industry that has been allowed to fall into a condition that is ruinous to Canada.

An hon. MEMBER: Demoralized.

Mr. BENNETT: My hon. friend behind me suggests it is demoralized. The representations made by the cooperative organizations that attended the convention in this city last spring indicated that. What did the minister point out when he called that convention? He pointed out that this country with respect to cattle, swine and sheep was getting into a position where it would cease to be an exporting country at all, and he emphasized that by pointing out the steadily increasing volume of imports. Under these circumstances can there be any doubt that while an inquiry may do something it is only an opiate to put the patient to sleep for another twelve months? What is needed is something to resuscitate this industry; what is needed is not an opiate by way of an inquiry, but action. And the hon. gentleman knows quite well what that action should do. If not, there are those beside him who could tell him. I speak strongly on this matter because I feel strongly from seeing the disastrous results to the industry from the government's indifference. In Ontario the other day on a passenger train travelling to a small community I discussed the matter with a drover, and he told me what was happening. In recent years he told me they have been importing into Ontario stockers from the west and feeding them for the Toronto market—a reversal of the former practice. I clearly remember in the early days when our live stock men were encouraged by the government to improve their herds by the use of pure-bred sires. The results of that policy could be plainly seen in western Canada. I speak from observation. I saw in those days at Calgary the spring sales of live stock from these improved herds. And it was an incentive to private enterprise to take up the industry because the government encouraged breeders to produce stock that was the pride of the country. Where are those great breeders of the past? They have gone out of the business because the government has ceased to be the patron of the industry in

that way, and there has been a steady failure all along the line. Go to any live stock man in Ontario and he will tell you the same thing. In every part of the country this condition prevails. I am not speaking of theories, I am speaking of what I know from observation and discussion with men who are deeply interested in the live stock industry. Our young boys and young girls on the farm used to be interested in live stock, but they found a lack of appreciation of their efforts because of the changed policy of the government, and as a consequence the farm has become less attractive to them and they move off to the cities, with results we know. What was the grant made to the cooperatives when they met down here? It was $30,000, was it not, which was voted to assist them in their efforts?

Mr. MOTHERWELL: $10,000.

Mr. BENNETT: Be that as it may, these are but drops in the bucket. Let us have a great, comprehensive, live stock policy in Canada, not a little picayune policy, but one as broad as this Dominion, which will apply to every province in it. It may involve the expenditure of millions of dollars; as far as the agricultural industry is concerned the expenditure of ten or fifteen million dollars for a real solution of the problems of agriculture in Canada would be money well spent. Our great neighbours to the south of us have established the Federal Farm Relief Board and for the work of that board $500,000,000 is available. Where are we? What is going to happen to us? Where they are producing in competition with us we will lose our own markets and our own products. As I say these are facts to which any man can have access who takes the trouble to look at the live stock history of this country. Failure. Milch cows gone; calves gone; swine gone. Go to the railways and ask them what they think about it. I have asked the live stock men connected with the railways and they tell me the same sad tale. When the live stock trade fails and when there is failure to understand and appreciate the great agricultural development upon which this country's wealth depends, we are making a retrograde movement; we are not advancing.

Mr. MOTHERWELL: I take it my hon. friend is in favour of the inquiry; his complaint appears to be that it is too small. The import of his remarks would seem to amount to a warning not to procrastinate. May I say to the hon. gentleman that before there can be a prescription there must be a diagnosis of the difficulty, and that is what the inquiry is for.



Mr. BENNETT: Everybody knows what is the matter.

Mr. MOTHERWELL: My hon. friend has attempted to say what the trouble is; frankly I must say that I have never heard live stock men lay the blame on the Australian treaty.

Mr. BENNETT: I did not say the Australian treaty; I said New Zealand.

Mr. MOTHERWELL: That is farther from the mark. All I can say is that everybody seems to have some proposal to effect a remedy; I think an inquiry is the best way to find out. We had a splendid conference composed of excellent men, yet we could not agree on the proper course to effect a betterment of the condition. We are now faced with a new diagnosis, and the statement that the New Zealand treaty is responsible for a good many things. All these statements show the necessity for an inquiry. Because of the fact that inquiries have recently resulted so beneficially in clearing up certain problems I am encouraged to try an inquiry in this case. Thirteen years ago I instituted an inquiry into the live stock situation of the province of Saskatchewan, and we got some results from that investigation.

Mr. BENNETT: I suppose the diagnosis is no good now.

Mr. MOTHERWELL: From the investigation concerned we secured the cooperative stock yards at Moose Jaw and Prince Albert, and I am hopeful that we may get great results from the present proposed inquiry.

Mr. BENNETT: What was the total expenditure on the Moose Jaw seed house?

Mr. MOTHERWELL: $300,000. It was estimated at first at $150,000.

Mr. BENNETT: Where did the remaining money come from?

Mr. MOTHERWELL: From the same vote. Somebody else had to go a little short.

Mr. BENNETT: Oh, I see. So the hon. gentleman took from another agricultural item money which had been voted for the purpose of that item, and put it into the seed warehouse.

Mr. MOTHERWELL: No, I did not take it from the other item; it was the same item.

Mr. BENNETT: But somebody else had to go short.

Mr. MOTHERWELL: It was in the same item.

Mr. BENNETT: But there was only $150,000 in it.

Mr. MOTHERWELL: It was in the same item with seed, feed and fertilizers.

Mr. BENNETT: So the hon. gentleman took away from the fertilizer, seed and feed estimates and put it into the warehouse, did he?

Mr. ROSS (Moose Jaw): The $300,000 expended on the seed warehouse at Moose Jaw was as well spent as any money devoted to the purposes of agriculture in this Dominion. The first estimate of the cost of the building was only a rough estimate, and when the figures came down from the government engineers they were found to be much higher, so that it cost much more money to build and equip the plant than had been originally anticipated. Even at that it is money well spent, and if other provinces want the same thing they should have it.

Mr. BENNETT: Hear, hear.

Mr. ROSS (Moos Jaw): Nothing in agriculture is more important than the handling of clean and registered seed grains, and seeds of all kinds. As a matter of fact we found that on account of that plant we had to use thousands and thousands of extra seed tags over and above the ordinary number required, showing the extra amount of seed grain being used out there.

Mr. BENNETT: Who owns the property?

Mr. ROSS (Moose Jaw): The government.

Mr. MOTHERWELL: We do.

Mr. BENNETT: The government owns it; I thought so.

Mr. MOTHERWELL: The crown owns it.

Mr. BENNETT: Who has the administration of it?

Mr. MOTHERWELL: The Registered Seed Growers' Association of Saskatchewan.

Mr. BENNETT: Is that an incorporated company?

Mr. MOTHERWELL: Yes, by private bill.

Mr. BENNETT: It is leased to them?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: What rental?

Mr. MOTHERWELL: $5,000 a year for the last eight years and $1,000 for the first two years.

Mr. BENNETT: A private enterprise gets the benefit of it and we get the rental of $5,000.

[Mr. Motherwell.]

Mr. ROSS (Moose Jaw): No, it is a co-operative enterprise; it is a non-profit organization.

Mr. MOTHERWELL: The seed company is operated on a pool basis, and there are no profits whatever.

Mr. MANION: I am not going to speak about seed grain, but there is another matter to which I wish to direct the attention of the minister. I have already written to him about it. I refer to the question of a grant to the fair at the head of the lakes. In the province of Ontario there are two class B fairs which receive grants, and in other parts of the country there are about twenty fairs which receive similar grants. To my knowledge, this fair is the only one of its kind in a territory a thousand miles wide, and I wish to impress upon the minister the necessity for this grant. I do not do so from any political motive, because the matter affects the large district to which I have referred. This particular fair has made application for a grant, and I think it should have it.

Mr. MOTHERWELL: As yet the matter has not come to my attention.

Mr. SPENCER: What consideration has been given to the province of Alberta for seed grain housing?

Mr. MOTHERWELL: I think the seed growers in Alberta have been relying upon two particular sources for their seed; as far as I know they have fallen between the two. I was authorized last year to make an offer, and I repeated it to-day; when they are ready to accept we shall be glad to help them.

Item agreed to.

DEPARTMENT OF MARINE AND FISHERIES

Mr. MACKENZIE KING: I suggest that we follow the same practice in this department and pass the items first. Then we can have a general discussion on any of them.

Lighthouse and coast service, $3,290,700.

Mr. SHORT: Last year when these estimates were up a small increase was granted to the lightkeepers of this country, amounting to only $25,000. They asked for increases totalling $137,000 but received only $25,000, with the understanding that there would be a further increase this year. I believe these men made their representations again this year to the minister and submitted a schedule of what they considered to be fair increases in their salaries, which do not in any way compare with the salaries paid for

the same services by the United States. I should like to ask the minister what he proposes to do this year for these underpaid, hard working civil servants of this country?

Mr. CARDIN: We have considered the representations which have been made to us and the minimum salary for a light keeper has been increased to $100.

Mr. SHORT: That is for just the lowest grade?

Mr. CARDIN: Yes.

Mr. SHORT: Has there been no increase granted to the other grades?

Mr. CARDIN: No. Several particular cases have been considered, but there has been no general increase.

Mr. SHORT: Then you do not propose to increase any grade except the lowest one, where you have increased the minimum from $60 to $100? Those are just the small lightkeepers who simply light their lights at night and put them out in the morning. You have not considered grades 6 to 10 or 11 to 15 at all?

Mr. CARDIN: No.

Mr. SHORT: Do you not think the request of the Lightkeepers' Association was very reasonable? They asked for an increase of only about $90 in grades 11 to 15, and about $80 in grades 6 to 10. I think these are very reasonable requests which would not involve a very large sum of money. I would have expected the minister to grant such a request.

Mr. CARDIN: Apparently the representatives of the lightkeepers were more concerned with the lower classes than with those receiving a higher salary, but we are quite willing to consider any particular case which may arise. I think the lightkeepers themselves, generally speaking, are satisfied with the increase we have given the lower class, but the door is not closed.

Mr. SHORT: My information is that they are not satisfied. I know some lightkeepers who are getting only $240 per year and who have not had an increase for many years. Everyone knows that the cost of living has increased very materially, and simply because a man lives in a remote district along the coast of Nova Scotia does not mean that his cost of living has not increased proportionately as it has increased elsewhere. I know one man who walks a mile at night to light his light and the same distance in the morning to put it out, and he gets only $240 a year.

Mr. FRASER: I should like to ask a few questions in regard to the recent appointment of fishery guardians in British Columbia.

Mr. SHORT: Let us get through the marine items first before we go on with fisheries. There is another matter about which I want to speak. Has the minister given any further consideration to the use of hydro-electric power in light houses where such is available?

Mr. CARDIN: Consideration has been given to this matter, and I can inform my hon. friend that the Point Prim light will be electrified.

Mr. SHORT: This matter was brought up last year. The line has been extended to the lighthouse and I was wondering what arrangements would be made.

Mr. CARDIN: They will be completed this week.

Mr. GARLAND (Bow River): The speech from the throne contained the following paragraph:

> The report of the royal commission appointed to inquire into the existing situation with respect to radio broadcasting in Canada will be presented for your consideration.

That report was without question a very excellent one, and many people expected the government to act upon it. I am informed that subsequent to the introduction of the report a bill was prepared, but for some reason that bill was not presented to the house. Agitation was created by some private interests, particularly a notable newspaper, and this seemed to acquire some support. A special committee of the house was appointed with a great blare of trumpets; the press carried photographs of members of the committee with the announcement of the great work they were to do. That committee was never convened although on two occasions I myself requested the chairman to call a meeting.

I deplore the fact that the government did not press for the passage of a bill based upon this report. Since a bill is not to be introduced this year, will the minister give an assurance to the house and to the country that no further licences will be granted to private interests until this question of the control of radio has been definitely decided? I have no desire to embarrass the minister by multiplying the complications, but this result would be brought about by the granting of further broadcasting licences. The question

of vested interests would arise and additional difficulties would confront parliament and the country. I trust the minister will be able to assure the committee that no further licences will be granted until this question is settled.

Mr. CARDIN: I regret that the special committee has not had the opportunity of dealing with the report.

Mr. GARLAND (Bow River): They had the opportunity.

Mr. CARDIN: In view of the agitation which arose all over the country, and the protests which were received by the department, it was thought that the proper course to follow would be to submit the report to a special committee. Shortly after the matter was placed before the committee it was decided that in view of the coming elections it would not be possible in the short time remaining at our disposal to deal with it in a satisfactory way. I agree that a special committee should be appointed to consider all the details of this very complex problem, and before which all interested parties would have an opportunity of expressing their views. I cannot meet the request that in the meantime no further licences be granted, because it must be understood that at least one year will elapse before parliament will be in a position to deal with the problem. Would it be fair to prevent certain stations from adding to their power?

Mr. GARLAND (Bow River): Absolutely.

Mr. CARDIN: I do not think it would be fair to prevent other companies obtaining new licences. However, should new licences be granted it will be upon the distinct understanding that no claim will lie against the government should it be decided to nationalize radio broadcasting.

Mr. GARLAND (Bow River): Will the minister undertake to have a clause included in the agreement under which any licence may be granted to prevent private interests from making any claim upon the administration, the government, this parliament or the people, in the event of the government taking over radio broadcasting?

Mr. CARDIN: I have no hesitation in replying that that condition will be imposed.

Mr. GARLAND (Bow River): And any interests applying for licences from now on will do so at their own risk?

Mr. CARDIN: Yes.

Mr. GARLAND (Bow River): That is understood?

[Mr. E. J. Garland.]

Mr. CARDIN: That is understood.

Mr. GARLAND (Bow River): And under no circumstances will any vested rights be created?

Mr. CARDIN: That is understood.

Mr. GARDINER: Have any new licences been granted since the radio report was presented?

Mr. CARDIN: No.

Mr. MANION: Has the fact that there are two outstanding Liberal papers in Canada, one in Ontario and the other in Quebec, that have radio broadcasting stations, anything to do with the fact that there has been no progress made with the committee?

Mr. CARDIN: Not at all.

Mr. GARLAND (Bow River): I am glad the hon. member for Fort William raised that question again. I do not want the words of the minister to go out as implying that there was any agreement, there was none that I know of or have ever heard of, between any of the parties in this house to the effect that the work of this committee should be postponed. No such agreement was ever made. There may have been an understanding to try to expedite the business of the house, but I do not think the minister meant to say there was an agreement not to allow the committee to sit.

Mr. CARDIN: I did not say that.

Mr. GARLAND (Bow River)): I am still at a loss to know why it did not sit. It was appointed either just before or just after Easter and we had ample time to have had meetings, but for some reason the committee was suppressed. I do not want to accuse the minister of deliberately desiring to suppress the committee, but in view of the strange circumstances that surround the whole handling of this question by the government this year, I felt I was justified in making the request I made a minute or two ago of the minister.

Mr. WOODSWORTH: There is a matter along another line altogether to which I should like to call the minister's attention. A memorandum was submitted by the Vancouver Labour Council, to the Vancouver Board of Harbour Commissioners, and by the All-Canadian Congress of Labour to the Minister of Marine and Fisheries, with respect to waterfront accidents at Vancouver. A request has been made that the government should create and establish a government safety official or

inspector on the waterfront at Vancouver. The memorandum urges that such an inspector should be appointed—

—whose word would be final and binding in reguard to the use of gear, equipment, et cetera; and whereas the Vancouver Labour Council has duly considered the report of this committee, this petition and demand for the appointment of a government safety inspector for the port of Vancouver is hereby made.

I should like to quote just a few brief paragraphs:

Statistics from the annual report of the Workmen's Compensation Board of British Columbia for the year 1928 show the following figures:

Stevedoring: Temporary total disability, 528.
Wage loss of over $100,000.
Permanent partial disability, 32.
Fatal accidents, 5.

This report shows a total final compensation award to workmen or their dependents of $111,498.88 for the year 1928.

The statement goes on to point out:

At the present time there is a sort of supervision of gear and practice on the waterfront. The Shipping Federation of British Columbia has a man whom they call "safety engineer" who, being employed by the employers, has authority only to suggest and advise but has no absolute power to stop any unsafe practices or the using of unsafe gear, and therefore is unable to aid materially in the protection that the workers in these industries are entitled to.

There is a safety engineer also appointed by the Vancouver Harbour Commissioners but, as he has no absolute authority. his advice and suggestions are acted upon by the employers only when it suits their immediate convenience.

The request has been made, since the submission of that memorandum, that the responsible officials should take the necessary action for the appointment of a safety inspector with full authority for the loading and unloading of ships. On the 5th instant, a definite refusal to move in the matter was received by letter from Mr. E. Hawken, Acting Deputy Minister of Marine. In his letter Mr. Hawken says:

In reply would advise that the representations made respecting the proposed duties of an inspector are not considered practicable as it would be impossible for any individual to efficiently inspect all cargo appliances and general loading conditions as applied to the individual holds in the several vessels loading and unloading, without seriously affecting the dispatch of the ships concerned which would ultimately reflect upon the port.

I would also advise that there is no authority under any Canadian legislation before me, whereby the department could appoint a safety engineer with power as suggested.

Tackle inspectors are appointed under the Canada Shipping Act, Part VIII, and their powers prescribed by sections 674, and penalties by section 681.

The request that has been presented in the memorandum forwarded to the minister is eminently reasonable, and I do not think the letter written by the deputy minister altogether covers the case and his objections are not well taken. It was not proposed that this officer should inspect the holds of each individual vessel. I quite agree that that would be impracticable, but if there were a man present who had authority to act, the very fact that he was there would in most cases prevent the continuance of the abuses which not exist. The men who are at work in the holds of these ships are familiar with the necessary safety devices; they are so accustomed to handling the various types of gear that they could easily discover whether or not these were in proper condition. If they were in improper condition and if a safety inspector were available, the men could readily apply to him and he would then come and inspect the appliances.

This is a case where there is apparently some authority and responsibility resting with the department. I would assume the department has authority to make such appointments as are necessary for the safeguarding of life and limb and for protecting the welfare of the workers on the waterfront. I speak rather feelingly with regard to this particular matter, because some twelve years ago I myself worked in this particular occupation on the waterfront in Vancouver and I know from personal experience something of the hazards which must be undertaken. I know the appliances in those days were far from being satisfactory and according to the memorandum before me there has been no very great change for the better. When the statistics of the Workmen's Compensation Board show such a heavy list of accidents and a number of fatalities, it seems to me that the least the government can do for the waterfront workers is to provide that an inspector with authority is appointed. The matter is urgent and should not be laid over for another year.

Mr. CARDIN: I quite understand the importance of the question raised by my hon. friend, but we already have inspectors of tackle and gear appointed by the harbour commission and also the Shipping Federation. According to the law as it stands, we have not authority to appoint any inspector having greater powers than those exercised at present by the appointees of the harbour commission or the Shipping Federation. But I assure my hon. friend we are considering the introduction of legislation in order to meet the objects indicated in the representations that have been made.

Mr. WOODSWORTH: Is it possible that some order in council might be passed to meet the need at the present time?

Mr. CARDIN: I may say I am quite ready to ask for any power from council in order to meet the situation, but I am afraid we shall have to proceed first through legislation. I am quite willing to ascertain whether it will be possible to deal with the matter by order in council.

Mr. WOODSWORTH: I am glad to hear the minister take that attitude, but I would point out the serious situation where men are being injured and even killed. Last year several were killed and a large number injured. I do not think we should wait for another year before taking action.

Mr. CARDIN: My hon. friend will not contend that those workers have been killed on account of the unsatisfactory condition of tackle and gear. Surely a certain amount of negligence has been responsible.

Mr. WOODSWORTH: I am contending that the equipment is unsatisfactory because I know of no group of men more careful in their work. I do not want to take up the time of the committee, but I have under my hand five or six pages full of details of accidents in which the trouble was due directly to lack of proper gear. In one case, for instance,—

An hon. MEMBER: Carried.

Mr. WOODSWORTH: It is all right for the hon. gentleman to say, "carried" but when life is at stake I think we might reasonably take one or two minutes to consider the matter. In this particular case the jury brought in a verdict with this rider:

> The accident was due to faulty loading without bracing of the timber, and we feel that it is absolutely necessary that there should be a man with authority appointed to supervise conditions on the ship to be loaded.

I have a dozen different cases of that kind of thing. I submit that under these circumstances prompt action should be taken.

Mr. COWAN: A year ago I suggested to the minister the necessity of establishing on lake Superior at the head of the lakes life-saving equipment and a wireless station on account of the great loss of life and property on the great lakes. The minister said that he would give the matter consideration, but I have not yet heard what that consideration amounted to.

Mr. CARDIN: We have had a ship there equipped with radio and other equipment to aid in life saving. The problem of establishing life saving stations is a very large one. With the equipment we have at present we may not be able to cope with all accidents that may occur anywhere. To provide life saving stations at every point on the lakes and rivers and shores of this country would mean an expenditure of millions and millions of dollars. Comparison was made last year between Canada and the United States, and it was contended that the United States were doing much more in this regard than we are doing. I took the trouble last year of visiting a few life saving stations in the United States, some not very far from here, and I was told by the man in charge of one station that he had been there for thirty years and had never been called upon to save life or a vessel. I admit that something should be done, and it is a problem that will have to be seriously considered by parliament one of these days because if we are to have a life saving organization that would take care of all accidents and difficulties the expenditure would run into millions and millions of dollars. In regard to the particular point raised by my hon. friend, something has been done towards providing what he requested.

Mr. COWAN: Has anything been done along the line of compelling the navigation companies to have wireless on their boats?

Mr. CARDIN: All ships carrying passengers have to have wireless.

Mr. COWAN: But not freighters?

Mr. CARDIN: No.

Mr. SHORT: A great deal of money has been spent by the department on life saving stations, and I do not think that in all cases you are getting the best returns. There is a life saving station in my constituency, where a body of men is kept the year round, and they do very good work indeed, but they would be able to do very much better had they proper equipment. They have a boat that was obtained in 1911 or 1912, and it was a second hand boat then. The department is spending a lot of money on repairs to that old boat, and she cannot be made seaworthy because she is out of date and obsolete. But if the minister would spend a few thousand dollars in new equipment for the Bayview life saving station at the entrance to Digby harbour, this station could render splendid service. There is a long coast line which this boat patrols, and it is very often called upon to render aid to the fishermen; but owing to the fact that the boat is obsolete and her engine breaks down when she is most needed, she is not able to render the service she should. I understand

that last year some repairs were made to this boat, but she is still obsolete because you cannot take an old fashioned boat, remove her engine and replace it with another second-hand engine, and make anything out of her. You want an up-to-date life boat that can render service to the hundreds of fishermen along the bay of fundy coast. You have a good crew and a good building, and if you had a proper boat you would then be in a position to render the service that is supposed to be given to the fisherman who take their lives in their hands to go out to sea to fish. The minister would be well advised to have a new boat placed at the life saving station at Bayview.

Mr. COOTE: There are only two whole-time men and two part-time men in the radio engineers' department in Alberta. That is too small a number to cover such a great area. There are many complaints because of leaks from the Calgary Power Company's main line. The engineers cannot possibly cover the ground satisfactorily. The minister has a surplus of $11,000 from the operation of the radio department in Alberta, and I would ask him if he could not give us a couple more engineers to give the people the service to which I think they are entitled in view of the fees that are being received by the department.

Mr. CARDIN: I am informed that that situation is being attended to.

Item agreed to.

Mr. SHORT: If all the marine items have now been disposed of, Mr. Chairman. I have a word to say in connection with the Fisheries department, particularly in connection with Bill No 26, which was passed last session, and order in council P.C. 2196, dated October 30, 1929. The house, of course, is aware that in 1927 a commission was appointed to investigate the fisheries of the maritime provvinces, particularly of Nova Scotia. One of the very live questions then occupying the minds of the fishermen of Nova Scotia was the steam trawler question. This commission sat in all parts of the province of Nova Scotia, heard evidence from fishermen in every section, and then brought in a majority and a minority report. The commission was composed of five members. The chairman was Mr. Justice Maclean, a man who is very familiar with conditions in Nova Scotia because he represented a fishing constituency for a number of years and was in close touch with the fishing industry of the province. Another member of the commission was Professor Cyrus Macmillan, of McGill university. He knew nothing whatever about the fisheries, but is a very fine man. The other three members were Nova Scotia fish dealers whose minds were made up before they entered on the inquiry—they were very much opposed to the trawler. The result was that Professor Macmillan and these others brought in a majority report advocating the abolition of trawelrs. Mr. Justice Maclean, the chairman, did not agree and recommended that trawlers should not be abolished, that they were an absolute necessity if we were to continue to supply the markets of Canada with regular shipments of fresh fish. Bill No. 26, based on that report was introduced last session and passed. It was satisfactory to all concerned, both the trawler people and I think the shore fishermen, and had its provisions been put into effect there would have been no trouble. But on October 30, 1929, the government passed order in council P.C. 2196. Let me put on Hansard the circular issued by the minister's department with respect to this order in council:

Canada
Department of Marine and Fisheries
Fisheries Branch
Notice

By order in council of October thirtieth, 1929 P.C. 2196, and under the authority of section 69A of the Fisheries Act, which section was established by 19-20, George V, Chapter 42, it was provided that a licence to any fishing vessel which uses an otter or other trawl of a similar nature, will not be granted except under the following conditions:

1. That such vessel was built in Canada and is now operating under temporary licence or was built in Canada subsequent to November 1, 1929.

Provided, however, that existing fishing vessels, other than Canadian built, which use otter or other trawls of a similar nature, and in respect of which temporary licences are now in force, shall be eligible for licence but only during the period ending April 1, 1932.

2. On and after April 1, 1930, a licence fee at the rate of one cent per pound, shall be payable by the owner or operator of any such fishing vessel that was not built in Canada, and, at the rate of two-thirds of a cent per pound, shall be payable by the owner or operator of any such fishing vessel that was built in Canada, under regulations approved by the Minister of Marine and Fisheries, on all cod, haddock and halibut that are caught and landed on the Atlantic coast of Canada by any such fishing vessel. In determining the weights of such fish, in the case of cod and haddock, such shall be done with the heads on, but with the entrails removed, and in the case of halibut, with the heads off and the entrails removed; provided that no licence fee shall be payable on fish caught and landed during the months of January, February and March in each year, nor on scrod—that is, fish with the heads on, but with the entrails removed, that weigh less than two and one-half pounds each.

Wm. A. Found,
Deputy Minister of Fisheries.

Ottawa, November 2, 1929.

This means that after 1932 five British trawlers with Canadian registry will be practically confiscated because it is an impossibility to keep those vessels in order so that they can fish only three months in the year and the other nine months pay a tax of one cent a pound on all the fish they land. This, I claim, is the most drastic legislation that has ever been enacted in this country. The idea of a government, a Liberal government especially, that claims it does not want to tax the food of the people, putting a one cent tax on one of the natural food products of our country, is to my mind simply preposterous. We had no fresh fish industry in this country until trawlers started to operate in 1910 or 1911. Prior to that time we had to depend upon our shore boats in the summer time and on our schooners in the winter. We had no regular supply, with the result that we had no fresh fish market in this country. Most of our supplies came in from the United States because our cities could not depend upon Nova Scotia giving them a regular supply during all seasons of the year.

The companies that were in business then decided that if we were to build up a fresh fish market in this country we must have modern methods, that is, trawlers that can fish in all kinds of weather and land regular supplies. As a result a splendid market has been built up by being able to give regular supplies of fish. Now this government comes forward with legislation that is going to prevent these trawlers from operating in our waters during nine months of the year unless they pay a tax of one cent a pound, which is practically prohibitive. Both the minister and his deputy know that.

Now, these trawlers have not interfered with the shore fishermen to the extent the minister thinks they have, for the simple reason that the trawler companies have in the past handled all the fish that have been offered to them by the shore fishermen. This order in council would never have been passed had it not been for the agitation, not by the boat fishermen but by the fish dealers who are operating vessels instead of steam trawlers. They were the people who agitated for the abolition of the steam trawler. But even they did not ask for its abolition altogether; they asked that nothing but Canadian-built trawlers be used. This matter was brought up in the house last session by the junior member for Halifax (Mr. Quinn) when Bill No. 26 was under discussion. He moved an amendment asking that nothing but Canadian trawlers be allowed to operate. The minister's answer to that was that this would mean confiscation of the five British trawlers with Canadian registry that were already operating in Nova Scotia. Let me quote from page 3483 of Hansard of June 10 last year:

Mr. Cardin: Although I am in sympathy with the policy advocated by my hon. friend from Halifax in regard to encouraging our shipbuilding industry, I cannot accept his amendment. It would have the effect of practically confiscating a certain number of vessels which are now in operation and have been for a period of years.

So the minister's opinion then was that if these boats were not allowed to operate it meant confiscation. That is just what the minister is doing to-day by this order in council. He is prohibiting these vessels from operating, and it practically means that after April, 1932, they will not be able to operate even if they pay a tax of a cent a pound. Therefore those vessels will be confiscated. But there is no mention whatever of compensation to the owners. I believe the companies that own these trawlers if they felt they were going to be compensated would be able to make arrangements to carry on their business. Does the minister think that it is fair to confiscate these five British built trawlers with Canadian registry? They cost from $65,000 to $75,000 each, and they are British built. They have been registered in this country since 1917, some of them since 1915, and yet we say that after 1932 they must go to the junk heap. That is the practical effect of the order in council, because the trawlers were built totally and solely for the fishing industry and are suitable for no other purpose. Surely if it is intended to carry out this order in council and to confiscate those ships after 1932, the companies are entitled to compensation.

This matter of catching fish by steam trawlers is not new; every fishing country in the world is operating steam trawlers, and Canada is the only country which has suggested legislation of this nature.

Mr. RALSTON: Japan has this legislation.

Mr. SHORT: She is the only country in the world, with the exception of Canada which has such legislation. The United States, Great Britain, France, Spain, Norway and other fishing countries have no legislation of this nature. I do not know very much about Japan, but I hope we are further advanced than that country is. The United States have about 170 trawlers which come down and fish in the same grounds we are using. If this government prevents our trawlers from fishing the result will be that in the winter season the markets of the upper provinces will be supplied by fish from the United States. That is the condition which we had previous to the

use of trawlers. I know the minister will say that the fishing schooners of to-day can supply the market. I say they cannot, because they are affected by weather conditions. The fishing schooners of to-day are the same class of vessels which we had fifteen years ago. We had fishing schooners operating out of Nova Scotia for many years, but they could not supply the market for fresh fish, for the simple reason that they were unable to maintain a steady supply. There would be weeks during the fall and winter months when gales of wind would prevent the landing of any fish, consequently the Canadian market could not depend on a regular supply of this important commodity, and to meet the demand importations were made from the United States. Do we want to revert to that situation? I do not think so. Last winter, it is true, a number of schooners operated out of Halifax, Lunenburg, and Liverpool, but there were times when the demand could not be supplied. There was either a feast or a famine; there was a full supply in fine weather and in stormy weather there was none. If we reverted to this style of fishing we would be confronted with the same difficulty.

What would our friends in the western provinces do if we put on a tax on all the wheat they harvested with the aid of the new combine machine? That machine does away with the necessity for hundreds of labourers. What would happen if this government told the western harvesters that they could not operate by these new methods, but must go back to the methods in vogue many years ago? How would they consider a proposal of that kind? Yet that is practically what this government is doing in connection with the trawlers. When any new invention has been put on the market the use of which would favourably affect the fishing industry, we have been confronted with the same condition. Years ago we used the hand line, and when we discarded the old method there were objections raised. In 1875 the fishery officer for Nova Scotia reported, as contained in the report of the Commissioner of Fisheries to the minister, as follows:

> The short yield of cod may be accounted for as follows: this fishing is pursued around the shores of Nova Scotia entirely in open boats which can only remain on the fishing grounds during comparatively smooth weather, and as winds this year were continuous and heavy during the fishing season, little was done in shore fishing.
>
> I would also beg to call your attention to what overseer Ross says with reference to trawl fishing. I have no personal knowledge of this mode of fishing, but wherever practised it is generally considered injurious to the fisheries for reasons stated by Mr. Ross.

This statement here made has reference to the time we used the hand line. The present system was adopted in 1875, and it was thought that it would ruin the fisheries. To continue reading:

> After a very careful investigation of the subject I have come to the conclusion that it is a very great injury to the fisheries of our coast, for the following reasons, namely, trawls are set on Saturday and left so during Sunday; many fish disengage themselves from the trawls, and in several instances are so cut and mangled as to die in the water. Another evil from the result of trawl fishing is the practice of cleaning the fish taken wherever the trawls are set. Some of the oldest fishermen in this country tell me that the codfish spawn in these bays and along these shores. If this is true, and I have no reason to doubt it, the sooner that mode of fishing be abolished the better for our country because it is not the people of our province that derive the most benefit from trawl fishing, but the Americans. Just imagine a fleet of forty vessels, fitted out with five trawls each, and five or six hundred hooks on each trawl; how quick they will sweep the fishing grounds of all kinds.

That is what the fishermen thought away back in 1875. Then in 1910 the steam trawler was introduced, and it has been used in the fish industries of every country. To-day we are faced with the same complaint which was lodged in 1875, except that in this instance it is levelled against the steam trawler, and it is suggested that this particular vessel is going to ruin the fishing industry. The fact of the matter is that the industry requires markets. If we had a wider market for our fish, and if the department would give a little more attention to the marketing of our fish rather than passing legislation such as this, our industry would profit to a greater extent than it has in the past. If the department had put forth efforts to find new markets there would have been no difficulties in the province of Nova Scotia regarding the use of the trawler. The reason the contention with regard to trawlers arose is that in 1927 conditions were very bad in the fish markets of the country. Prices were very low, and the fishermen thought they were not getting adequate prices for their catch. That was not because of the trawler, which had nothing to do with it; it was because of the condition of the market, and if you and your department had expended a little more effort in securing markets rather than in passing legislation such as this it would have been very much more in the interests of the fishing industry. The trouble with the department is that you are endeavouring to develop the fishing industry by legislation and by bolstering it up with subsidies, when what is required is good, com-

mon sense business administration along practical and progressive lines. If you would do that rather than pass so much legislation it would be very much better for the industry.

I have read the correspondence in connection with this trawler question and I find many letters from prominent people interested in the fishing industry of Nova Scotia protesting against this order in council. You have had letters from the Halifax Cold Storage Company, which operates one of the largest cold storage plants in the maritime provinces and which is subsidized to the extent of about $700,000 by this government. They are practically out of business so far as the fishing industry is concerned.

I protest most vigorously against this order in council; I think the government would be well advised to pass another order in council now allowing the trawlers to land their fish under certain restrictions. If you carried out the provisions of Bill 26 it would satisfy both the trawler people and the shore fishermen. Something has to be done; you cannot confiscate these vessels without compensating these people for them.

Mr. MACKENZIE KING: I do not want to interrupt another address by my hon. friend, but I think I should submit to the committee that there are some 150 items still to be carried, and either we will each have to apply a self-denial ordinance or we must entirely forego the idea of proroguing this evening.

Mr. SHORT: I have taken very little time on any of the estimates, and I propose to have something to say in connection with some of these fishery items.

Mr. FRASER: I should like to ask the minister a few questions with regard to the fishery branch at Stuart lake. I have a return here with regard to the appointment of fishery guardians at Fort St. James and Takla lake. First there is a memorandum appointing J. P. Myers and George Hamilton to these two positions; then there is a memorandum from the deputy minister to Mr. Motherwell, superintendent in Vancouver, followed by a protest from Mr. Motherwell with regard to the suggested appointment. Mr. Motherwell says:

> The information received at this office is to the effect that both the nominees in these cases, that is Messrs. Myers and Hamilton, are entirely unsuitable for the work required of them.

Then he goes on to say, with regard to the two men who are replaced:

> Messrs. Kynoch and Forfar served last year and both very satisfactorily. Kynoch has had many years experience in the salmon business and several years in the Stuart lake hatchery. He is a very keen, conscientious man and has a thorough knowledge of his duties. It would be a great mistake to change him.

Then there is a letter from Mr. Casey to Mr. Motherwell asking his objections to these men, in these words:

> You do not state in what respects the above mentioned men are unsuitable. . . .

Then there is a protest from John B. Babcock, deputy minister of fisheries of British Columbia, as follows:

> Trust there is not truth in the report that Kynoch of Stuart lake is to be relieved. In my judgment he is one of the most capable and energetic fishery officers in the Fraser basin. I urge his retention.

Then there is a letter from Mr. Casey to Mr. Babcock under date of May 15 stating:

> As you are doubtless aware the position is a seasonal one and while arrangements for the coming season do not contemplate the reemployment of Mr. Kynoch, further inquiry is being made in the premises to assure that the interests concerned are fully safeguarded.

There you have it from your own inspector of fisheries, your own chief man in British Columbia, that these are capable and desirable men who have discharged their duties to the satisfaction of the department, and you also have the commissioner of fisheries of British Columbia asking that these men be retained. What explanation has the minister for the removal of these men and the appointment of two men who are not acceptable to his own officials?

Mr. CARDIN: My hon. friend was good enough to tell me that he intended to bring up this matter on the discussion of the estimates. I have looked into the question, and after discussing it with the deputy minister I have come to the conclusion that the recommendation of Mr. Motherwell should be followed.

Mr. FRASER: Thank you.

Mr. MacLAREN: Is provision being made in the estimates for the clearing of small salmon streams on the New Brunswick coast of the bay of Fundy?

Mr. CARDIN: Yes, it is provided for in the general vote.

Mr. MacLAREN: Will it continue this year?

Mr. CARDIN: Yes.

Mr. SHORT: I have a few words more to say; I am sorry to detain the committee, but I will not do it unnecessarily. These items should have been brought down weeks ago in order to allow a full discussion of them. I want to call attention to an item of $236,000 to assist in the conservation and development of the deep sea fisheries and the demand for fish. There is an increase here of $106,000, and I should like to ask the minister how that is to be expended.

Mr. CARDIN: The increase is due to the development of that branch of the department. The amount of $236,000 is required to cover fish collection services, aid in establishing fishermen, aid in expanding the demand for fish, fisheries inspection, educational work leading to the use of better methods in fishing, aid in the organization of fishermen, and scallop investigations.

Mr. SHORT: Will some of this amount be spent for advertising?

Mr. CARDIN: Yes.

Mr. SHORT: The vote for last year amounted to $130,000. When that vote was under consideration I asked the minister the following question, which appears on page 3358 of Hansard:

Mr. Short: Is it the intention of the department to expend any of this $130,000 for advertising?
Mr. Cardin: I am informed that the officers are preparing to do advertising out of this vote.
Mr. Short: A portion of this money will be used on advertising?
Mr. Cardin: Yes.

I understand that not one dollar was spent in the advertising of fish products, notwithstanding the fact that application was made by the Canadian Fishermen's Association that the department carry on a vigorous advertising campaign in connection with the industry. A bulletin is issued by the department covering their activities, but that is of no use in the creating of a demand for fish. Is it the intention this year to spend a suitable amount for advertising?

Mr. CARDIN: We are going to cooperate with the Canadian Fishermen's Association.

Mr. SHORT: To what extent?

Mr. CARDIN: We will spend one dollar for every dollar they spend.

Mr. SHORT: I would like to make a few observations regarding the fish carrying service. The following statement was issued by the department covering some twenty boats engaged in the fish carrying service.

| Name | Fish carried lbs. | Cost $ |
|---|---|---|
| Flor del Mar | 8,250 | 554 84 |
| Bessie L. Morse | 342,685 | 4,066 67 |
| Grace Lee | 133,158 | 3,367 74 |
| Grace Hankinson | 213,784 | 3,783 87 |
| Grace Hankinson | 10,423 | 693 71 |
| Grace Hankinson | 512 | 712 90 |
| Sadie Mac | 32,550 | 5,270 97 |
| Mary Patricia | 93,720 | 6,551 61 |
| Emile Louis | 168,957 | 3,814 19 |
| Emile Louis | 150,113 | 2,825 81 |
| Phyllis C. | 2,212,114 | 7,499 54 |
| Harvey & Ralph | 587,115 | 3,096 77 |
| Shemogue | 541,691 | 5,351 32 |
| Magdalen | 37,530 | 333 33 |
| Betty L. | 1,359,075 | 5,959 36 |
| Mary E. Kenny | 737,601 | 5,483 87 |
| Elizabeth Cann | 884,851 | 7,678 71 |
| Nova I | 192,865 | 1,683 87 |
| Kenneth W. | 141,054 | 1,548 39 |
| Rex II | 333,018 | 5,090 32 |
| O'Leary Lee | 31,737 | 348 39 |
| Lilly M. Hodge | 381,930 | 4,611 62 |
| Maripac | 28,542 | 354 84 |

It will be seen that the average cost is about one per cent per pound. Does the minister think it is good business to carry a product worth from 1¾ cents to 2 cents per pound at a cost of 1 cent per pound? I understand that a contract has been entered into with a concern in Halifax whereby a charter of $1,975 each is being paid for five boats for five years. The order in council covering this contract was passed in December. How long does the minister think a business concern could carry on under conditions such as these? This contract was entered into with the concern which owned most of the boats mentioned in the list I have referred to. I think it is time that this committee should consider if this department could not be operated in a businesslike manner.

Mr. CARDIN: The subsidy of $1,975 per month applies for five months only in the year. I do not think we should be criticized for making any expenditure which might prove useful to the fishermen. Up to this year I believe the collecting service has proved very profitable. The high cost of operating the service was caused by an inability to secure boats suitable to do the work, and that is the reason we entered into the contract referred to by the hon. member.

Mr. SHORT: I have nothing to say against the collecting service because I want everything done that is possible for the shore fishermen in Nova Scotia. They need every assistance that can be given to them. However, it would have been much better for the

fishermen if the $5,270 which was paid to the Sadie Mac had been distributed among the fishermen. It might be mentioned that this boat is owned by a very good friend of the government. That boat carried 32,550 pounds of fish at a cost of $5,270. The fishermen could have eaten their fish, or salted them down, and the distribution of this amount among them would have been much better. The minister says that suitable boats could not be obtained, and he enters into a contract for five years with Mr. R. W. Hendry of Halifax for the five boats. Why was it necessary to enter into a contract for that period? The minister could have gone along the coast of Nova Scotia and obtained all the boats he required on a monthly rental basis. He could have obtained any number of boats at a rental of from $1,200 to $1,700 per month with the option of cancelling the charter on a month's notice. Instead of that he enters into a contract for 5 years for five boats at a rental of $1,975 each per month.

Item agreed to.

Legislation — House of Commons — salaries, $257,610.
Expenses of committees, clerical assistance, etc., $11,950.
Contingencies, $46,775.
Publishing debates, $60,000.
Estimates of Sergeant-at-Arms, $188,394.—Total, $664,729.

Mr. KENNEDY: I believe this is the item covering the temporary staff of the House of Commons. Is any allowance being made to them on account of the short session? I am referring to the Hansard and members' stenographic staffs.

Mr. SPEAKER: I have been in the house almost every minute for several days. Yesterday I heard what was said in the house by the two leaders. I do not know whether the hon. member for Acadia spoke, but I suppose he shared the views of both leaders, and I will act accordingly. I saw the leader of the opposition this morning. Although I am nearer to the Prime Minister, I have not yet had an opportunity of conferring with him. There is to be a conference and on the broad principle of acting generously the committee can depend I shall do the right thing.

Mr. HARRIS: I should like to know whether this also covers the protective staff. These men, as the Speaker knows, are mostly married men, with families, and I trust they will receive the same consideration as the stenographic staff.

[Mr. Short.]

Mr. SPEAKER: The hon. gentlemen should not confuse those that are permanent with those that are temporary. I will have regard to the temporary ones when reviewing this matter with the leaders.

Mr. HARRIS: But as a matter of fact, a number of the protective staff are temporary during the session.

Mr. SPEAKER: I will review the whole question with both leaders and the hon. gentleman can can be assured that I shall deal generously with the staff, having regard to what was asked yesterday by hon. members.

Mr. CAMPBELL: It seems to me that a very important principle is involved. There is a distinct discrimination between the staff of the House of Commons and that of the Senate. Why there should be, I do not know.

Mr. SPEAKER: Let me tell my hon. friend at once: the Senate itself deals with its own employees. It appoints its officers; it appoints its servants as it pleases. The House of Commons is in a different position. Our appointments come under the Civil Service Commission.

Mr. CAMPBELL: I quite understand that, but that is what I am protesting about. The people of Canada pay both Senate and House of Commons and this house very generously votes the money to pay the higher salaries in the Senate.

Mr. SPEAKER: I am glad to hear the hon. gentleman make that statement. He takes the view taken by that great public servant, Sir John Bourinot, whose view was that when the House of Commons decided to appoint an officer, that officer should be ipso facto appointed. I advocated the same policy four years ago, but I was denied the privilege of appointing our own officers under the control of the House of Commons, as the matter should be.

Mr. CAMPBELL: Nothing can take away from the House of Commons the responsibility for passing estimates.

Mr. SPEAKER: Exactly.

Mr. CAMPBELL: If the Senate want to appoint a man to a position, it cannot do so until the money is voted by the House of Commons. There is a distinct discrimination and it does not reflect any credit upon this house to vote larger salaries for men holding certain positions in the Senate than are received by men holding similar positions in

the House of Commons. That is a discrimination which should be done away with. Either we should refuse to vote the higher salaries for the Senate staff or we should vote increases in salary for the House of Commons staff.

Mr. MACKENZIE KING: I think I know to what my hon. friend is referring. Is he referring to the clerk of the house?

Mr. CAMPBELL: I am referring to the whole staff. There is discrimination.

Mr. MACKENZIE KING: So far as I am aware, there are one or two cases where no corresponding recommendations came to the council from the Senate and in which there have been increases in the Commons. The intention of the council is to see that no discrimination is made and that there is a proper adjustment.

Mr. COOTE: I understand the protective service in the House of Commons is paid $4 a day and in the Senate $4.50 a day. I do not think the protective service in the Senate is working any harder than that in the House of Commons, and we know from past experience the stenographic service in the Senate is paid a higher rate than that of the House of Commons.

Mr. SPEAKER: The Senate acts as regard salaries without consulting anyone.

Mr. MacNUTT: Yesterday, when this matter was being discussed, the Prime Minister promised a conference with Mr. Speaker.

Mr. SPEAKER: And with the leader of the opposition.

Mr. MacNUTT: Evidently from the remarks of the Speaker this evening, this conference has not been held. While the Speaker has given his word he will deal generously with the staff, I think we should know definitely that they are going to receive as much as the temporary staff of the Senate.

Mr. MACKENZIE KING: If my hon. friend had been as busy as I have been during the past twenty-four hours, he would have found it difficult to arrange conferences for all purposes. There is no question about the hon. the leader of the opposition, Mr. Speaker and myself being able to agree on what will be considered fair by the house generally That, I think, ought to be a sufficient answer. There is no desire to discriminate in any way.

Mr. DUFF: Will the messengers receive a special allowance as well as the stenographers?

Mr. SPEAKER: We will review that at the conference. The leader of the opposition, the Prime Minister and your humble servant will decide that.

Mr. DUFF: I would like to know whether they will receive the same treatment.

Item agreed to.

Immigration and Colonization—immigration outside services—salaries, $1,155,000.

Mr. LUCHKOVICH: I rise to protest against our newcomers being made the goat of all our social and industrial discontent. Only recently the remark was made by Bishop Lloyd about our newcomers that they had criminal proclivities. I have searched in the report of the superintendent of penitentiaries for the year ending March 31, 1929, and I find that there were 2,769 prisoners incarcerated in our penitentiaries during the year 1929, and that their birthplaces were as follows:

| | |
|---|---|
| Canada | 1,747 |
| Great Britain | 326 |
| Other British possessions | 36 |
| United States | 223 |
| Russia | 75 |
| Italy | 66 |
| Austria-Hungary | 78 |
| China | 62 |
| Roumania | 16 |
| Other countries | 140 |

These statistics prove that only 12 per cent of our newcomers are to be found among the prisoners in our Dominion penitentiaries. It is not my intention to take up much of the time of the house, but I wish to deal with certain discriminatory statements which have been made against our newcomers. I have in my hand a letter which I received from a young Red Cross nurse in which she refers to a news item that I shall quote later. She writes as follows:

> Article enclosed was published in the News of the World about one month ago. I think a paper of such wide circulation should offer a printed apology for such uncalled for and ignorant remarks, which concern the Ukrainian people in the Vegreville district.
>
> I am taking the privilege of writing you a few lines regarding this matter, as you are in a position to make them offer that apology on their front page.
>
> According to newspaper reports, it is the British settlers that are making all the trouble.
>
> Trusting you will give this important matter your kind and prompt attention, and do all you can to expose these brutal traducers of an honest hard-working and law-abiding people, I remain,
>
> Yours very truly,
>
> (Sgd) E. Yasenchuk,
> Victorian Order of Nurses of Canada.

The article which this young lady enclosed reads as follows:

Canada's New Problem
Alien Menace in the Golden West
Bad Old Days of the Gold Rushes Revived
("News of the World" Special)

Canadian wheat farmers on the rich corn lands of Alberta and Saskatchewan are seriously perturbed by the continued drought which threatens their harvest, and which may spell ruin to a number of settlers who have laboured hard and sunk their capital in creating farms on the wide Western prairies. Only in scattered districts where there may have been local showers will there be any wheat crop worth harvesting. To add to the troubles of British settlers a number of Russians, Galicians, and other migrants from eastern Europe have recently swarmed over the western portions of Canada. They have been encouraged by the Dominion authorities, who, it is alleged, have not exercised due care in their selection, with the result that many districts are becoming unfit for decent Britishers to reside in. Complaint is made that the authorities do not trouble to inquire into the character of these people, so long as they can prove that they have financial resources sufficient to take up holdings. There is a large settlement of these undesirables around the town of Vegreville, which was until recently a prosperous community of English-speaking yeomen, but which is rapidly degenerating into a hotbed of vice and lawlessness such as characterised the mining camps of other settlements during the hectic days of gold rushes some fifty years ago. Gambling hells, gin palaces, and dancing saloons have made Vegreville and other towns the haunt of every grade of alien rascal in search of "a good time and easy money." Cunning frauds by "real estate" tricksters have resulted in scores of settlers being cheated in the purchase of farms. Illicit stills remain unchecked, and commercial morality in these districts has almost reached vanishing point. Canadian police are too busy to bother much about such matters, as they are fully occupied in dealing with serious crimes of violence and outrage that have occurred since the influx from eastern Europe. Indeed, matters have reached a point when the police have been glad of the aid of a number of Canadian ex-service men, who settled in the area immediately after the war, and have recently banded together to put down the worst forms of violent crime and so afford mutual protection against the criminal propensities of these alien ruffians. Former members of that famous corps —the Alberta Dragoons—have recently tracked down one of the worst gangs of Galician horse thieves and treated them to that rough-and-ready justice which, it is hoped, will have convinced them of the error of their ways, as they fled in terror across the open country after being stripped and flogged by the angry troopers.

Mr. BENNETT: Who was the author of that?

Mr. LUCHKOVICH: It appeared in the News of the World, London, England, and was reprinted subsequently in many Canadian papers. One editor in Edmonton had the decency to make this comment upon it:

[Mr. Luchkovich.]

Police officials in Edmonton, both provincial police and Royal Canadian Mounted Police don't even consider these ridiculous misstatements worthy of answer.

Mayor Holden of Vegreville, over the long distance telephone Thursday morning, expressed a keen desire to get his hands on the fiction writer responsible for the article. "Every man in Alberta knows that the town of Vegreville is as quiet and law-abiding as there is anywhere in Canada," he declared heatedly. "Our district is largely settled by Galicians and Ukrainians, but if you know of any better citizens of Canada I'd like to meet 'em."

Commissioner Bryan of the Alberta provincial police is surprised to find how many "gin palaces and gambling hells" exist in a town so well policed as Vegreville, and in which there is so little crime. This kind of nonsense he described the British paper's articles as can't be printed in a polite newspaper like the Journal.

Superintendent James Ritchie of the Royal Canadian Mounted Police left the city to-day on an inspection trip to northern posts, but mounted police officials laughed merrily at the heart-breaking story of the old members of the "Alberta Dragoons" who have banded together, much to the relief of the police, to round up "Galician horse thieves."

The story to any person who knows Vegreville and other towns is altogether too ridiculous for anything but derisive laughter. It is quoted merely as the worst example yet of the length to which writers, ignorant of conditions, will go in making "copy" of the "penny-a-line" type, and of the manner in which certain newspapers will grasp at such articles without first assuring themselves of the veracity of the statements made.

I do not know who the irresponsible person was that put this article in the News of the World, but whoever did certainly did not do any good to the inhabitants of Canada; but I do know that when people occupying responsible positions in Canada make such statements as the one made before the immigration commissioner by Bishop Lloyd in Prince Albert recently, I think it is about time that such people should be taken to task.

I have proven by figures that the newcomer in Canada is not as criminal as some people would like us to believe. I had intended to deal with this matter at greater length, but I do not wish to delay the committee. There are several things that I had intended to say in connection with assimilation. It is said that inter-marriage is possibly the greatest test of assimilation, and in support of this contention, having in view the proposition that we should start from the top down rather than the bottom up I think it would be a mighty fine thing at the present time, when we are on the eve of an election, if the Prime Minister chose from among the beautiful central European belles at Prince Albert a desirable helpmate to cheer him on in the forthcoming campaign.

Mr. MACKENZIE KING: Why does my hon. friend discriminate? What about his own leader and the leader of the opposition?

Mr. LUCHKOVICH: I will apply it to the leader of the opposition, and suggest that he stop opposing and start proposing, with a view to changing not only his own personal status but that of his party as well; and I would also suggest to the leader of the Progressive group to stop baking biscuits that taste like shrapnel and preserve the health and integrity of this group by eating food such as only a Czechoslovakian wife can cook. To crown the whole thing I would suggest that Bishop Lloyd of Saskatchewan marry all these people off, and that all the Ku Kluxers, Orangemen and Knights of Columbus be allowed to attend the ceremony, as well as the subsequent festivities.

Some hon. MEMBERS: Carried.

Mr. WOODSWORTH: It seems most unfortunate that there has been practically no opportunity this entire session of discussing matters of this kind which are of the utmost importance to Canada. It is only upon the estimates that we have really an opportunity of reviewing the policies of the government. I had placed on the order paper a resolution upon the discussion of which I do not intend to enter, but which I should like to pass on as a suggestion to the government. This resolution was not reached. It read:

> That in the opinion of this house the Department of Immigration and Colonization should be abolished, and that the administration of the Immigration Act should be placed under the Department of Labour and the work of colonization left to the provincial governments.

I suggest that the department should be abolished. Apparently the government has partly anticipated this resolution in that no successor to the former minister has been appointed, and we are told there is to be a less vigorous policy. However, I should think that now that the natural resources have passed into the hands of the three western provinces, where in the past, immigration has been considered most necessary, it would be a very good time for the transference of the whole of the colonization end of the department to those provinces, The provincial authorities there, working in cooperation with the municipalities, it would seem to me are the best agencies for carrying on work of this character. I do not believe that colonization work should be carried on from the city of Ottawa now that the natural resources are in the hands of those provinces. The Soldier Settlement Board, which has been doing good work along this line, will I fancy have to be completely reorganized. This then is the time for that whole section of the department to be transferred to the prairie provinces.

Further with regard to immigration, I believe it would be a very great advantage indeed if we could closely correlate the Department of Immigration and the Department of Labour. In the United States, as hon. members are aware, immigration comes under the department of labour. That seems to be the natural place for it, because in the settlement of a country the number of new people introduced ought to a very considerable extent to depend upon the state of the labour market—the demands for workers. If that principle were rigidly adhered to we would not have a recurrence of the troubles with which we have been afflicted in the past. An increasingly large number of citizens are beginning to question the theory that "the more people the more prosperity." Immigration may indeed mean prosperity for the railroads, because not only do they participate in the general welfare by increased traffic, but they are very large employers of labour, and there is no doubt that they have been the principal beneficiaries of vigorous immigration policies of the past. I am glad to know that the immigration agreement with the railway companies has been terminated, and I hope it will never again be renewed in any way, shape or form. The Dominion government ought to be the only authority to decide who shall come to this country. They ought to stand at the gate. I hope that no private organization of any kind will be permitted to decide who are to become the future citizens of this country.

I have a number of other matters that I should like to bring before the house, but as we are all anxious to get away I must deal with them on another occasion. I have scores and scores of letters before me which I should like to have read showing the extreme difficulties under which a large number of our immigrants are labouring, and the equally grave difficulties that are being experienced by people who to-day are out of work in part at least, because of the introduction of so many immigrants. There is not the slightest doubt that a great deal of our unemployment is due to the fact that many of our own people have been supplanted in their jobs by newly-arrived immigrants. Only the other day the minister himself in dealing with unemployment in Winnipeg said that before long some of the new arrivals in Winnipeg would be despatched up the Hudson Bay line to Le Pas. Already at Le Pas, returned men and

other Canadians were out of work. That is simply an illustration of what has been going on all along. I would not be doing my duty by the class of people who send me to this house if I did not protest against any more immigrants being induced to come here while any of our own people are unemployed.

Just one other aspect of the case. I read the other day the annual report issued by the public school board of my own city of Winnipeg. Of the 6,938 pupils between the ages of 14 and 18 who left school, 4,449 are employed. There are still, however, 760 boys and 1,587 girls over 14 years of age who have left school and have not found employment. Now, that is a serious state of affairs for any one city. And what is true of Winnipeg is equally true of a large number of towns and cities in the west. Our own girls and boys do not know which way to turn for work. Any of us who have children in our families know how difficult it is to find work for them. I have scores of my own constituents come to me imploring help in this direction. They say: "Tell us how we can place our girls and boys; what is there for them to do?" And yet these girls and boys walking the streets of Winnipeg and other cities not knowing what to do meet at the trains thousands of people who are brought in here, and who in too many cases are given the preference by employers of labour.

Had I time I should like to have presented to this house a series of statistics prepared for me by a professor of economics that go to show that after all we have needed immigrants only in the pioneer stage when there were not large numbers of young people growing up in our own homes, but that to-day we have reached the stage where young families are rapidly coming to the working age, and in the years to come we will have increasing numbers of these young people, especially in the west, thrown on the labour market. So we will not have the same need of immigrants, and cannot absorb them as we have been doing in the past. I would impress upon the government the urgent necessity of refusing to permit more immigrants to come into this country until our unemployed people are reabsorbed into industry. I would also suggest that before very long this department be transferred in the way I have indicated.

Mr. SPENCER: What is the reason for the big increase of $75,000 in the outside service?

Mr. STEWART (Edmonton): In this case it is not immigration work but preventive work. We have eleven new employees in the eastern district located at the entrances from the United States. At the new bridge in Windsor, where there is very heavy traffic requiring a large staff, we have twenty-two people employed. As new ports are opened for entry to and exit from Canada they have to be manned by immigration officials whose duty it is to examine the people passing to and fro. I think that accounts very largely for the increased staff which is required.

Mr. LUCAS: Do I understand the government contemplates making a change in its immigration policy? Will the minister state briefly what the plan is, and also when the present agreement with the railways expires?

Mr. STEWART (Edmonton): Some years ago, acting in the capacity of minister, I thought we should have more care exercised to ascertain where we could place people. I agree entirely with the remarks of the hon. member for Winnipeg North Centre. In the year 1923 I visited the various provinces of Canada to discuss with them the advisability of the provinces taking the responsibility for colonization. At that time we were administering the western resources, the Peace River block and the belt in British Columbia. I was told that the matter of immigration was a responsibility of the federal government and that therefore the provinces could not agree to assume any responsibility in that connection. Upon that occasion I was not successful in interesting the provinces, but we have now reached the stage in our history when the federal government will have no control of crown lands. The provinces are taking them over, and for that reason I have again entered into correspondence with the provincial legislatures with a view to having them take over the colonization of their own provinces. The provinces are almost unanimous that they should accept this responsibility. I have sent the deputy minister to visit all the provincial governments for the purpose of discussing this matter with them. We had decided to hold a conference when he returns in June, but with the election before us we find that such a course would be impossible. There is no doubt the election would interfere and it would be utterly impossible to hold a conference during an election contest, particularly when two of the provinces are engaged in provincial contests. With those facts in mind we have decided to call a conference in the month of August to settle the details. Briefly, my hope is that the provinces themselves will stipulate what numbers of people they can absorb; I hope they will give us the details of the numbers they may require and from what countries they want them. We will endeavour to super-

vise their selection, bring them to the provinces and deliver them or turn them over to the provinces upon arrival. One of the serious difficulties which exists in Canada is that the moment a person enters a province he is outside federal jurisdiction except when we act more or less in the capacity of a policeman and deport him. I have always thought the provinces should state what numbers of immigrants they require and the type of people they want in their midst. My hope is that the provinces will agree to that, and at such time we will begin a program of recruiting such people as the provinces desire. We will bring them here and deliver them to the appropriate provincial officers. If the necessity for deportation should arise we would have to shoulder that responsibility.

Mr. WOODSWORTH: How will the immigration records of the provinces be kept?

Mr. STEWART (Edmonton): A very careful record of the entries should be kept; each person's movements should be checked as he goes from one province to another. The provincial governments should have an understanding with the municipalities which would take care of the indigents, so that domicile could be declared and a particular locality made responsible. That action is taken at the present time between municipality and municipality, and between province and province. The work of the department would be largely that of recruiting such people as are required. More particularly however its work would be along the line of what we were discussing, namely, manning the ports of entry into Canada. At the present time I am not in a position to go into details as to how this would work out, because a great deal will depend upon the conference and the arrangements which are arrived at with the provinces. Broadly however the matter of whom they require will be left to the judgment of the provinces; they will be able to state the number and the nationalities they want within their control.

Mr. WOODSWORTH: Will central Europeans be admitted under permit?

Mr. STEWART (Edmonton): The railway agreement as far as farm labour is concerned expires to-morrow, and it is not our intention to renew it. We are following the recommendation of the committee in allowing the agreement to expire. During the year the assisted passages will also expire; this was a term which applied to domestics. The only system of assisted immigration which we intend to continue is in connection with the young boys and girls, and in that we are working in conjunction with the British government. The provinces will be in a position to decide how many they require. As far as I am concerned that is the only recommendation I will make to the conference. I wish my hon. friends to realize my desire is that the provinces will make their choice as to the immigrants they want.

Mr. LUCAS: What is the position in regard to the three thousand family scheme?

Mr. STEWART (Edmonton): There are a few of them working as labourers, but there are no more coming into the country under that scheme.

Mr. WOODSWORTH: Can the minister tell us whether Canadian boys will be given preference over the old country boys in the matter of finding work?

Mr. STEWART (Edmonton): In answer to that I can only say that we will have to be guided by the desire of the provincial governments. I think that is where the responsibility should rest, and I would advocate that we should not bring in anybody except when requested to do so by a provincial government. However that is a matter which will have to be settled at a later time.

Mr. GARLAND (Bow River): Has anything further been heard about the $300,000,000 colonization plan of the hon. member for Vancouver North (Mr. McRae)?

Item agreed to.

Immigration contingencies and general expenses including grants to immigration societies, women's hostels, provinces, and loans for stock, equipment, etc., for Canadian boys, as may be authorized by the governor general in council, $1,160,000.

Mr. GARDINER: Before the vote is carried I would like to ask the minister if he can give the names of organizations to which grants have been given during the past year, and the amounts.

Mr. STEWART (Edmonton): Salvation Army, $5,000; British Settlement Society of Toronto, $1,000; United Church of England, $1,000; Council of Social Service of the Church of England, Toronto, $1,000; British Welcome and Welfare League, Toronto, $1,000.

Mr. GARDINER: Could the minister give us some information as to whether Quebec received a grant last year for repatriation?

Mr. STEWART (Edmonton): That is not in the nature of a grant; it is an arrangement with the Quebec government whereby we spend dollar for dollar with them on repatriation.

Mr. GARDINER: What was the amount spent last year?

Mr. STEWART (Edmonton): We spent $50,000 last year and they spent $65,000 for the repatriation of people who had left Quebec and gone to the United States.

Mr. GARDINER: Do you get any statement as to the expenditure of this money?

Mr. STEWART (Edmonton): I am informed that the accounts are audited by both auditors general.

Mr. LUCAS: Is there any statement as to the number of people brought back under that vote?

Mr. STEWART (Edmonton): They numbered 1,837.

Mr. GARLAND (Bow River): I understood the minister to say that this was in the nature of a grant to share the cost of repatriation; is that so?

Mr. STEWART (Edmonton): Yes.

Mr. GARLAND (Bow River): The government has no control over the manner in which it is to be spent?

Mr. STEWART (Edmonton): The vote is for repatriation work in the United States, for transportation and assistance to the repatriated persons returning to Canada to settle on the lands, and for directional work and after-care in connection with land settlement.

Mr. GARLAND (Bow River): Is it correct to say that the government pays over to the Quebec government a sum of money for some purpose, over which it has no control and for which it has no further responsibility?

Mr. STEWART (Edmonton): I am informed that all these accounts are checked by our auditor general and that while we have no officers of the federal department engaged in this work, all the men being employed by the Quebec government—

Mr. GARLAND (Bow River): In other words it would be fair to say this is a case in which one government collecting taxes from the whole people turns over a portion of those taxes to another government over which it has no control and in connection with which it has no responsibility. It looks to me as though it were the vicious principle which has been discussed so often, and if there is any consistency in this government the grant should be stopped.

Mr. SPENCER: Could the minister inform the committee where those who are brought back to Canada are eventually settled?

Mr. STEWART (Edmonton): I am informed that they are all placed on farms in various portions of Quebec, wherever land is available.

Mr. CAMPBELL: I may not be strictly in order on this particular item, but I should like to ask the minister just what is the policy of the department with respect to newly arrived immigrants who have to undergo hospital treatment. I have had many complaints in my constituency of cases where these sick and distressed people have had to undergo hospitalization and it is pretty hard for the hospitals to finance. The contention is that the Department of Immigration should accept some responsibility for immigrants of that kind. Perhaps the minister could tell us the policy of his department.

Mr. STEWART (Edmonton): It is a very difficult problem and has always appealed to me as a reason why we should not bring in people who are not requested by the provinces. The difficulty of immigration as conducted at present is that there seems to be an idea that all we had to do was to pour people in, particularly in western Canada, and they would be absorbed. Long ago we realized that this was not possible, and as far as I am concerned I think this will be the remedy for a great deal of difficulty which has been experienced in the past with respect to people who through injury or illness become public charges. They are in the province and they are on the hands of the province. It may be and quite frequently is said with some truth that the Department of Immigration has nothing to do with bringing them into the country except to pass them for physical and mental fitness. In no way did the department bring them here, yet they become a public charge and frequently demands are made upon us. We are trying to meet that situation as far as we possibly can, but it is a difficulty which I think will be covered by this agreement.

Item agreed to.

Relief of distressed Canadians outside of Canada—$4,000.

Mr. WOODSWORTH: I should like to revert for a few minutes to item 59, having to do with Chinese immigration, and to ask a question

arising out of the reply made recently by the minister with regard to Chinese employed on coastal boats in Canada. It seems to me it is very serious if the fact that a ship is under British registry entitles that ship, when chartered by a Canadian firm, to employ Chinese sailors or workers on it. I take it that we ought to have complete control—and I think we have—over the people in Canada or on boats in the coastal trade. To have Chinese brought in whether in bond or in any other way when that work can be done by our own white people does seem to be absurd. I should like some explanation from the minister as to his powers in this regard.

Mr. STEWART (Edmonton): I think my hon. friend will agree that we have very little power outside of our own shores, and strictly speaking, when a ship ties up to one of our docks, if the crew does not leave the ship and does not commit any misdemeanour against the crown I understand that we have absolutely no control over them. If the ship is of Canadian registry it is a different situation, but foreign ships coming to Canada and plying in these waters have a right to bring their own crews.

Mr. WOODSWORTH: These ships are engaged in coastal trade.

Mr. STEWART (Edmonton): My hon. friend will understand that there are very many American ships and Canadian ships engaged in coastal trade between Canada and the United States. My hon. friend would not argue that because an American ship was on the great lakes, plying between Canadian and American ports—

Mr. WOODSWORTH: This case covers Canadian ports.

Mr. STEWART (Edmonton): I do not think we should say to the Besco people that they cannot charter foreign ships for cargo carrying purposes. If they charter foreign ships, then the ship is under foreign registry.

Item agreed to.

Amount required for soldier land settlement advances and cost of administration of soldier land settlement, $1,445,000; amount required for general land settlement advances and cost of administration of general land settlement, $870,000; total, $2,315,000.

Mr. LUCAS: Mr Chairman, I would like to call the attention of the minister to a long-standing grievance in my constituency with reference to a returned soldier who has an account for a barn built upon one of the soldier settlement farms. In 1919 a soldier settler by the name of Ogilvy purchased a farm from the board, and undertook to build a barn the material for which cost over $1,600. He then engaged a carpenter, also a returned soldier, to erect the barn. This man undertook the work, built the barn and overhauled the house, at a total labour cost of $480. Shortly after this time Ogilvy found himself unable to carry on and he abandoned the farm, and because this was crown property the carpenter was unable to file a lien and thus protect his interests. I have brought this matter to the attention of the government practically every year since I have been in the house, and I trust that this year the minister will be able to find some method of settling this account.

Mr. STEWART (Edmonton): The hon. member has spoken to me already about this matter, and there is another case before the department based on practically the same fact. The one difficulty in a settlement of these matters is the fact that the board has no authority to pay an account of this kind. It does seem to be a hardship that because of lack of knowledge of the act a man should perform services and then be denied his wage, especially in view of the fact that the farm has been considerably improved by the construction of the barn. I will promise my hon. friend that this matter will be looked into very carefully to see if something cannot be done.

Mr. LUCAS: The government has received a certain value through the erection of the barn. Fifty-five hundred dollars was paid for the farm which Ogilvy abandoned and it was resold to a British settler for $5,200. I have been advised by the officials of the department that had this barn not been on the property the farm could not have been sold for within $1,000 of the price received. I have seen this barn myself; it is 60 feet by 28 feet, one of those fine hip-roof barns you see when driving through the country. This man is a returned soldier who has received no benefits or assistance from the government and who is attempting to carry on in the district. He is finding it hard to make ends meet and I think the government should attempt to meet this situation.

Mr. SPEAKMAN: Mr. Chairman, owing to the fact that a bill has been brought in as a result of the labours of the pensions committee, which bill will ameliorate many of the conditions pertaining under the act, the necessity of my speaking at length is obviated. However, there are one or two matters I should like to discuss with the minister.

Under present conditions there is a possibility, and indeed the probability, that many

settlers will be forced to evacuate in the near future owing to dispossession being made of their property. I have already suggested to the minister that no action should be taken in this regard until next spring. I notice an item in an Ottawa paper advising men not to go to Calgary as there are at present 2,000 unemployed in that city. Under such conditions as these, I would suggest that if possible no foreclosures should take place until next spring. If a family is forced off the land they will go into the bread line and some public body will have to support them, and I think the minister will agree with me that the outside cost to the government of carrying these people, even though they may be hopelessly behind in their payments, would not be a very large item. It would be the cheapest and best way of keeping them in decency and in some comfort for the balance of the year. I think the minister sympathizes with me in this regard. No matter how far behind they may be in their payments, I suggest that it would be good business to allow them to remain until next spring.

Owing to the present conditions which exist in connection with immigration and colonization, we may expect some reorganization in connection with this department as well as in connection with the land settlement board. I think the minister will agree and the house will appreciate that even with reorganization a certain number of men will be required to carry on the work. At the present time there are some hundreds of men working under the board. They are all returned men and have been in the service of the board for some ten or twelve years. Like all the rest of us they are not getting any younger, and possibly they have become unfitted for other forms of work and would find it extremely difficult to find employment. I would suggest that when the irreducible minimum has been reached the men who are left should be placed in a permanent position, and no matter under what department this matter may be placed, or what methods are adopted, as far as possible the men who are to do the work shall be those at present performing these duties. This would be only a measure of reestablishment for returned men, and would be only fair to those who have worked faithfully for ten or twelve years. I would ask the minister to give the assurance to those men and to the committee that as far as possible the personnel in the west that may be necessary to carry on this work and work of a similar character, under whatever department it may come, shall be the personnel at present engaged who have fitted themselves for the jobs. That would be an assurance which would be appreciated by the house and the country as a whole.

Mr. STEWART (Edmonton): So far as my influence goes, as regards whatever readjustments may be necessary—because that is all that I can conceive will happen—we will seek to place the men, if they are not required in that service, in some other branch of the government. If that is not possible, of course some very reasonable consideration should be given them. I am speaking not only of the Soldier Settlement Board, but the Immigration department and the Department of the Interior, and I have notified the Civil Service Commission that positions should be filled by men and women who may find themselves out of employment in these various branches that are to be reduced. In that way we hope to absorb many of the employees who will suffer on account of reductions of staff. As regards the Soldier Settlement Board personnel, undoubtedly they are best fitted for carrying on and will carry on the work in the future as they have done in the past, except as they are surplus, and the latter we shall seek to absorb in the other branches.

Mr. CAMPBELL: As regards the question raised by the hon. member for Camrose, that is a case in which the government can say it has no legal liability. Certainly that is so, but on the other hand, the government is under a distinct moral obligation. The minister pointed out that the board has no authority to pay out money for any such purpose, and he seemed to dismiss the matter with that statement. May I remind the minister that whenever the government want to grant gratuities to particular persons, especially pensions of some kind to deal with compassionate cases, provision for such cases is made every year in the estimates. There are in the estimates at the present time items that are not covered by any legislation; that are purely compassionate cases. We are granting pensions to widows on compassionate grounds. This is in the instance under consideration a distinct claim on compassionate grounds, and there is nothing in the world to prevent the government from bringing down a small sum in the estimates to cover the $480 which is morally due to this man.

Item agreed to.

Public Printing and Stationery—printing, binding et cetera, the Annual Statutes, $12,000.

Mr. MacLAREN: Last year the Secretary of State, on request, said that he would have published the London resolutions along with the British North America Act. This promise he carried out, and in doing so he has rendered an important service. This has been the first time that the London resolutions have been printed under official circumstances. Having made that acknowledgment, I wish to point out to the minister that his department, in publishing this document, has not given evidence of the comprehension or care that it deserves. The minister will not overlook the fact that last year he promised that copies of the British North America Act and the London resolutions would be distributed to each member of the house. On several occasions I have asked at the parliamentary library for a copy of this document which I hold in my hand, that is to say, the one containing the British North America Act and the London resolutions, but I have not succeeded in obtaining it there. I have no doubt the minister will carry out his promise of distributing it to the members, and that the parliamentary library will have it. The publication itself is defective and has not been carefully prepared. If the minister will see that the present document is scrapped and a proper publication substituted, copies can then be distributed to the members and placed in the library. Even the title of this document is incorrect—The British North America Act. There is more than one act. It should have read: "The British North America Acts", and so on.

Mr. CANNON: All the amendments are included in the one act.

Mr. MacLAREN: I have looked the matter up, and with much deference to the Solicitor General, I understand there is more than one act; there are both amendments and acts.

Mr. CANNON: There is only one act.

Mr. MacLAREN: I wish to draw attention to the date: "1867 to 1927". Under those circumstances it should not have gone beyond the year 1918. There are only one or two other little things I might point out. There is put in smaller type in brackets "The text of Quebec resolutions, 1864, and London resolutions, 1866." Why that should be in brackets is difficult to understand, and, moreover, I do not understand why it should be "the text" any more than the text of the British North America Act. The London resolutions are put in as an appendix. Unless that is done on the principle that the tail wags the dog, I do not see the justification for it. The London resolution should receive a more prominent and definite position as being the basis of the British North America Act. Would the minister take this matter up carefully with his department? I am satisfied we could have a much more valuable addition to the library and the facilities for members by a better selection of the contents. I believe the minister is interested, and I am sure he would like to have the thing done properly.

Mr. RINFRET: I want to thank the hon. member for his commendation. I have given some care to the preparation of the document he has in his hand. I shall certainly bear his remarks in mind and look into the matter very carefully, and if this improvement can be effected I shall see to it that that is done and that copies are then distributed as my hon. friend has suggested.

Mr. MacLAREN: If the minister would let me have his draft before it is finally adopted, I should be very glad to have the opportunity of making a few comments.

Item agreed to.

Miscellaneous—Grant to the Montreal Association for the Blind, $5,000.

Mr. BANCROFT: Is there any possibility of a conference with the provinces or something of that nature with a view to considering the matter of providing for pensions for the blind? I think the government has received a memorial from the government of Manitoba in that regard.

Mr. MACKENZIE KING: May I say to my hon. friend that the matter to which he has just referred is one to which the government wishes to give careful consideration. I cannot say more at the present time, but certainly the object is of a character that appeals very strongly to the government and should equally appeal to the governments of the several provinces.

Item agreed to.

Roads and Bridges—Interprovincial bridge over Ottawa river at Hawkesbury, the Quebec government to contribute one-third of the cost of construction only, the Ontario government to contribute one-quarter of the cost of construction and pay annually one-quarter of all maintenance charges thereafter, $40,000.

Sir GEORGE PERLEY: We all want to congratulate ourselves that our joint efforts have resulted in getting this arrangement to

build this very necessary bridge between Hawkesbury and Grenville. Is it the intention to call for tenders during the coming summer?

Mr. ELLIOTT: Yes. The matter seemed of such urgency that in spite of the fact that one province did seem to be a bit backward about doing what my hon. friend from Argenteuil and I thought was their fair share, we have felt that the work should go on, and go on this summer.

Item agreed to.

To provide for payments to the railways in connection with the movements of coal—revote, $182,721.55—$551,985.41.

Mr. BENNETT: This is an item that I assume should be available to assist in the movement of coal from Fernie to Winnipeg. I have pressed upon the house from time to time the desirability of some action being taken because of the large number, amounting now to several hundreds, of idle miners in Fernie. They have represented that a portion of the moneys provided for the purpose of compensating the railways for a reduction of freight rates should be made available to move coal to Winnipeg. It would improve conditions in Fernie very greatly, and I should like to have some assurance that the money will be available not only for the purpose for which it was voted last year, but also to take care of the very unfortunate and difficult situation in that section.

Mr. STEWART (Edmonton): I want to make a statement to the house on that. First let me say that we intend to continue to assist the movement of coal from the east and from the west for one year more. In addition it is our intention to apply the subvention of $1 a ton to bituminous coal only from the mountain region—that would take in Fernie —as well as the Alberta region. In addition there will be a subvention of 50 cents a ton on briquettes from the Bienfait district of Saskatchewan, which now find a market in the city of Winnipeg. Without going into details I may say that this is being done for the purpose of relieving the very serious situation that exists in the coal mining regions in the mountains. The lignite fields have a subvention still in effect to bring their coal eastward and they do send into the city of Winnipeg about 400,000 tons. We feel that the extension of this subvention to bituminous and semi-bituminous coal will be a very considerable help, as will also the subvention extended to briquettes made in the Bienfait area.

[Sir George Perley.]

Mr. McRAE: Will the minister give an assurance that some of this money will be available at an early date for relief of the situation at Fernie?

Mr. STEWART (Edmonton): The Fernie field can get into Winnipeg. At present there is going into that city and the eastern portions of Manitoba about 235,000 tons of American coal of this character.

Item agreed to.

Miscellaneous—to provide for participation in the celebration of the 900th anniversary of the introduction of Christianity into Norway, $2,000.

Mr. BENNETT: What is this?

Mr. MACKENZIE KING: I understand that the celebration of the 900th anniversary of the introduction of Christianity into Norway is to be made a great international event. Certain European governments are I understand sending representatives. The government of the United States is sending two or three representatives. Our government felt it would be much appreciated by many of those who have come to this country from Norway if Canada were also officially represented.

Item agreed to.

To provide for participation in the celebration of the 1,000th anniversary of the founding of the parliament of Iceland, $6,000.

Mr. BENNETT: Why the difference, $6,000 in this case as against $2,000 in the other?

Mr. MACKENZIE KING: In regard to the celebration of the one-thousandth anniversary of the founding of the parliament of Iceland, it has been thought desirable to have three delegates attend from Canada. The event is a very important one in the history of parliamentary institutions, and it will be an international event. The government had in mind the presentation to Iceland of something of a permanent nature which would be a worthy memorial of the occasion, and I should like the house to know that next year, if the present administration is in office, some proposal along that line will be made. I hope and feel quite sure that if some other administration should be in office, it will be prepared to make a similar appropriation.

Sir GEORGE PERLEY: When is the celebration to take place?

Mr. MACKENZIE KING: In a month or two; in June, I think.

Mr. BENNETT: Last year I made some observations in another place on this historic event, and I think it highly desirable that

Canada should be represented. Whether three delegates should be sent in view of the present unemployment condition I am not prepared to say; but as to manifesting our interest in an event of such historic concern to all the world as the establishment of parliamentary institution a thousand years ago, I certainly think that perhaps my hon. friend to my right, if he were in the place the Prime Minister suggests, would undoubtedly take care of the matter in the way of giving some permanent memorial to Iceland, and I should regard it as a privilege and an honour to make a similar proposal.

Last year I acquired an address presented by settlers from Iceland to Sir John A. Macdonald on the occasion of his first visit to Winnipeg. It is written on parchment and is an impressive story of their own struggles against the condition they found in this country and their hopes and aspirations for their future development; and the results attained have been in keeping very largely with the expectations they then expressed.

Item agreed to.

To provide for extension of the inquiry concerning technical and professional classes to all classes in the public service, $25,000.

Mr. MACKENZIE KING: Might I say with respect to the part of the inquiry which has already been made namely that into the classification and salaries of technical and professional classes, that the government's first thought was to include a sum in these supplementary estimates to enable payments to be made immediately upon approval of the commission's recommendations, or such of them as it was deemed advisable to approve. However, on consideration it was thought preferable not to provide a lump sum at the moment but to have it understood that the government should be free, if it was thought advisable so to do, to make any increases retroactive so as to begin from about the time at which the commission had made its report, that is to say from the beginning of the present fiscal year.

Mr. GARLAND (Bow River): Has any provision been made to remove the discrimination which was shown the other day to exist as between the Senate staff and the House of Commons staff?

Mr. MACKENZIE KING: Yes, we dealt with that this afternoon.

Item agreed to.

GOVERNOR GENERAL'S WARRANTS

Mr. BENNETT: Why should not the provision with respect to Governor General's warrants, which comprise items 431 to 444, have been made in the main estimates in view of the expressed policy of the administration in this connection?

Mr. DUNNING: I find it rather difficult to answer my hon. friend's question, except to say it is the practice. I think my hon. friend's point is well taken and I shall look into the matter.

## SUPPLY—CONCURRENCE

The house proceeded to consider certain resolutions reported from committee of supply.

Resolutions reported, read the second time and concurred in.

## WAYS AND MEANS

SUPPLY BILL

Hon. CHARLES A. DUNNING (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to, and the house went into committee, Mr. Johnston in the chair.

Mr. DUNNING moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1931, the sum of $234,229,125.26 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

The CHAIRMAN: Shall I report the resolution?

Mr. BENNETT: This probably concludes supply so far as the committee is concerned, and there are two or three questions upon which I would like to receive information. In common with other members of this house I have received many telegrams asking for information from the government as to the change in customs duties on automobiles from wholesale to retail prices by order in council after the house closes. This is a matter of vital importance on the question of ways and means of making good the supply to His Majesty. I would like a statement from the Minister of National Revenue in that regard. In my judgment the statute does not contemplate a change of tariff by that method, but I would like some assurance in the matter.

Mr. EULER: I have had a great many communications similar to the one read by the leader of the opposition. Representations have been made that in view of the fact that there are varying discounts in connection with the importation of different makes of automobiles, and that as difficulties in that regard are experienced in the department, it might be well to have a uniform rate of discount. That is as far as it has gone; nothing whatever has been done.

Mr. BENNETT: Is such action contemplated?—because we know a good deal in connection with what the hon. gentleman is talking about. There is an election pending, and we know what happened on a former occasion. We have the right to ask for a definite assurance, and we will have it if this house has to sit until to-morrow morning.

Mr. EULER: My hon. friend is even pointing his finger at me, and I may tell him that that is entirely unnecessary. I have given him the facts.

Mr. BENNETT: Those are not the facts.

Mr. EULER: No action has been taken.

Mr. BENNETT: I have asked if action is contemplated. That is the question I asked, and I have a right to ask it.

Mr. EULER: The representations have not been considered.

Mr. BENNETT: That does not answer my question. Does my hon. friend propose to give effect to those representations?

Mr. EULER: My hon. friend knows perfectly well that that would be a matter of policy, and that no one minister could make a definite statement in regard to it. Representations have been made and received, and have not been considered.

Mr. BENNETT: Now, does the minister think that we have no idea of what is involved in that?

Mr. EULER: I cannot read my hon. friend's mind.

Mr. BENNETT: No, but my hon. friend will understand his language. We can have no difficulty in understanding what is behind this; none whatever. Surely the hon. members who come from Saskatchewan and members to my left will have some interest in this matter, if they believe in what they have been talking about so far as protection is concerned. The hon. gentleman says representations have been made to him. Were they made to him through the chairman of the tariff board?



Mr. EULER: They were not.

Mr. BENNETT: Then the representations which were made to the tariff board in connection with it have nothing to do with the representations made to him. Is that clear?

Mr. EULER: What were the representations?

Mr. BENNETT: The hon. gentleman asks what the representations were. They were representations in connection with varying rates of discount that were made by importers of goods into this country, and it was suggested that a uniform rate might be established on such importations for tariff purposes. The hon. gentleman at once sees what the effect of that would be; it would change the whole incidence of taxation with respect to given matters. Is the incidence of taxation to be changed by order in council with respect to automobiles? That is the question I asked.

Mr. EULER: The question is really one of administration. My hon. friend knows very well that as a matter of administration, when difficulty might be experienced in establishing what the discounts are to be, the government would have power to establish certain rates of discount. Certain difficulties do exist. I am not prepared to say that they exist to such a degree that we would be justified by order in council in establishing a certain uniform rate of discount. It does not follow either that if a certain fixed rate of discount were adopted it would increase the protection.

Mr. BENNETT: I did not say anything about increasing protection.

Mr. EULER: It might reduce it, as a matter of fact. The matter would have to be considered from the point of view of the administration of the department itself. No action has been taken at all.

Mr. BENNETT: I will ask this: Have these varying rates of discount existed now for the first time or have they existed for the last three years?

Mr. EULER: For a long time; and I can tell my hon. friend that it has been constantly necessary, in order that we might ascertain the actual prices in the country of origin, to make investigations in the United States to see whether those rates actually correspond with the rates made to apply when the goods are ex-

ported to Canada. That constitutes a fairly serious consideration. Because I have come to no decision at all in regard to the matter, I am not saying that these difficulties are so great as to render it impossible for the department to administer the law. I have no intention of taking or recommending action until I am quite convinced I am within the law and that it will be what seems to me in the best interests of all concerned.

Mr. BENNETT: What right has the minister to raise the price? If it had not been for what happened in this country by regulation I would not be presenting this matter to the house and country for consideration. Let us look at the matter fairly. The other day a regulation was read over the signature of Mr. Breadner, the Commissioner of Customs, increasing by 40 per cent the price at which furniture was to be valued for duty purposes—forty per cent, mind you. I ask the minister where he finds authority to do that, when the dumping clause places a limit of 15 per cent.

Mr. EULER: My hon. friend knows very well that when the department of customs has reason to believe or perhaps even to know that goods are being imported into this country at a value less than they hold in the country of origin we have the absolute right to make an appraisal, pending the establishment of the facts which we believe to exist. If after the establishing of the fact we find that we are wrong, the valuation is placed upon its proper basis and a refund is made. That is what was done in the case of furniture. We had reason to think that furniture was imported from the southern United States or from the central southern United States at less than cost. I think my hon. friend knows that to be the fact.

Mr. BENNETT: I do not know it; I only know what has been said.

Mr. EULER: I am saying that absolutely in good faith. Instructions were given by the commissioner—and by the way, I will say that I had nothing to do with the rate at which the increase was made, 40 per cent. That is not too high if goods are being sold we will say at 50 per cent of their cost, as sometimes is the case when people in the United States have stocks on hand which they cannot sell in that country and which they attempt to dump into this country.

Some hon. MEMBERS: Hear, hear.

Mr. EULER: Yes, I mean exactly what I say. My hon. friends are just as much opposed to that as I am. If goods, for example came into this country at 50 per cent of their cost in the United States, an increase of 40 per cent on that 50 per cent would only amount to 20 per cent, which would make a valuation of 70 per cent, still 30 per cent lower than their actual cost, so that the amount of 40 per cent sounds a great deal higher than it may be in actual fact.

Mr. BENNETT: It exactly means forty cents on the dollar.

Mr. EULER: It depends on what you have as your basis. If goods come in at 70 per cent of their cost, 40 per cent of that is only 28 per cent.

Mr. BENNETT: Quite so; but these two things stand together, and let there be no misunderstanding. What happened was this: furniture came into this country under a 30 per cent duty. The commissioner of customs and the minister says he does not know anything about this 40 per cent—

Mr. EULER: I do not want to be misunderstood; I knew that a higher valuation was being asked for but I did not know it would be 40 per cent.

Mr. BENNETT: The law says he is the man who should know.

Mr. EULER: My hon. friend knows very well that the minister is empowered to do a great many things which are done by his deputy.

Mr. BENNETT: The minister must take the responsibility for that action. If he does not know about its being taken he does not know his business.

Mr. EULER: I will do that; I will take the responsibility.

Mr. BENNETT: If he does not know what is done he does not know his business. Knowing it means that he approves of it. Who is Mr. Breadner, the Commissioner of Customs? He has no place in our institutions; he is not responsible to parliament. The minister is responsible; the minister is the man who under the statute is responsible, and he increased the duty by 40 per cent. Therefore the duty becomes 42 per cent.

Mr. DUNNING: Pending adjustment.

Mr. BENNETT: Pending adjustment, as the minister says, but you delay the adjustment and maintain a duty of 42 per cent.

Mr. EULER: Forty per cent.

Mr. BENNETT: No forty-two per cent; forty per cent of 30 per cent is 12 per cent,

and 12 per cent added to the present 30 per cent makes a duty of 42 per cent which is now imposed. There should be no misunderstanding about that. Now we come to the other item about which he says he has had applications. If the application is acceded to, the proposal will be to change the rate of discount. Why could not the same power be exercised in the one instance as in the other?—because in the one instance they ship over goods at wholesale prices and then put in a traders' or dealers' discount, the discount they allow to large dealers in their own country, or large wholesale buyers. This discount varies with various factories. The suggestion has been made that this should not be allowed. The effect, of course, would be the same as the effect which has been attained by the use of the regulation referred to.

My submission is this, that if anything of this sort was contemplated, instead of doing it by an indirect method by which the public would not be advised that tariffs were being increased, the government should have faced it like men and increased the tariffs and put them on the statute books of the country rather than do it by that indirect method. I am making that point in all sincerity, because the people of this country have the right to know about these things. Now, in the closing hours of this parliament they see in newspapers coming from the border cities and scattered all over Canada that this method is to be taken to effectuate the same purpose as was attained with respect to furniture. Why was not the tariff on furniture dealt with boldly and bravely and squarely and fairly and honestly in this house, instead of utilizing the Commissioner of Customs for the purpose of increasing by 40 per cent the value for duty on that commodity? That is the question I am putting to the hon. gentleman.

Mr. EULER: I am afraid my hon. friend is waxing indignant about something that does not exist. As far as furniture is concerned, that happened to be a matter of emergency because there were great stocks of furniture which the manufacturers in the United States were attempting to dump into this country. The very same action would follow, so far as the customs department is concerned, if the the same conditions obtained in any other line of manufacture.

Mr. BENNETT: Quite so.

Mr. EULER: I am sure my hon. friend does not question the propriety of the department doing that.

[Mr. Bennett.]

Mr. BENNETT: It is the way in which it was done.

Mr. EULER: It is the legal way. My hon. friend knows this, that if goods are coming into this country at a less value than they legally ought to for the purposes of duty, it immediately becomes the duty of the minister, if you like—and I will take responsibility for that—to give instructions that new appraisals be made. That is exactly what was done. My hon. friend may think that on a new appraisal an added appraisal of 40 per cent is too high. That is a matter of opinion. If it is shown to be too high, those who have had to pay those duties will get their refunds, and that is all there is to it.

I should like to add just one further word in regard to the responsibility of the minister. My hon. friend says the minister does not know his business. Perhaps he does not know it quite so well as the hon. leader of the opposition, but he is doing his best. I may say this to him, and he knows it is true because he has had a little experience himself as a minister: no minister in this or any other government could function if he tried to attend to all the little details in his department. I will give him an example. The hon. gentleman was a member of the committee which investigated the customs department four years ago. He was one of those who said—I think I am doing him no injustice when I say this, and he will correct me if I am wrong— that whereas the minister is supposed to pass on all seizures, some five hundred or six hundred of which occur every month, the minister should not do that but should leave it to his deputy.

Mr. BENNETT: No, that was not the way it was put. However, go on and I will deal with it later.

Mr. EULER: Yet under the law the minister, as my hon. friend from Lincoln knows, is supposed to sign every decision on the seizures.

Mr. CHAPLIN: It was impossible.

Mr. EULER: Of course it was impossible, and this particular minister in charge of the customs department divested himself of that authority and gave it to the Commissioner of Customs, which is exactly what the committee desired.

Mr. CHAPLIN: I did that myself.

Mr. EULER: And yet it is well known that the minister has to take responsibility under the law.

Mr. BENNETT: The hon. gentleman has not quite understood. Questions of taxation must be approved by the minister. Questions involving taxation must be considered by the minister, because it is the executive action of the government; it is something for which the government must assume responsibility. Surely the minister will admit that. Questions of routine we did report should not be dealt with in that day; we recommended that the minister should not be concerned with questions of routine and seizures and so on. That we put as strongly and fairly as we could, and it is because I believe that the whole theory of responsible government is concerned that I put it to the minister myself. That is, the executive substitute, its functions for those of parliament, but when it does so the minister must assume the responsibility.

So much for that. I should have liked to get some assurance from the minister as to what his contemplated action may be, but he has told us that he has not given the matter any consideration and therefore has no contemplated action in mind.

There is one further matter with which I should like to deal, although the Minister of Labour is not in his place. I asked him what steps were being taken in connection with the introduction into this country of a monopoly in films, and he said the matter was under consideration and that we would get some further information on that point. It is possible that some other member of the administration may be able to answer the question and I should like to know whether that investigation is being proceeded with. I hold in my hand a few of the telegrams which I have received from various organizations, women's organizations being particularly concerned about the films and asking whether we are to be at the mercy of an alleged monopoly. If so, then of course we should know it, and I have asked the question for the purpose of eliciting information with which the people of Canada are vitally concerned.

Mr. EULER: In order that the house may be informed of the scope of this furniture regulation, I may say that the order applied only to furniture coming from quite a restricted area in the United States. I am not sure that I mentioned that before, but I think it applies to North Carolina and possibly one or two other states; with regard to importations from Michigan or any other of the United States, or any other country, the regulation does not apply at all. If we find that we were wrong in adding the 40 per cent as I said before, refunds will be made upon application.

Mr. CHAPLIN: I think the whole question rests upon the point whether the goods were sold in the territory named by the minister below the regular market price. That is the whole point.

Mr. MACKENZIE KING: So far as the films are concerned I may say to my hon. friend that I understand the Minister of Labour is now exercising such authority as he has under the combines act to investigate the position of matters to see if a combine exists. If it is found that there is reason to believe that a combine exists in contravention of the provisions of the act, then proceedings will be taken under the act.

Mr. BENNETT: I thank the right hon. gentleman for the information he has given. I was pressed to ask before this parliament prorogued whether or not the minister had directed proceedings to be taken. If an investigation is held and it is found that the conditions are not as alleged, that would be the end of it. The right hon. gentleman has said that action will be taken and that is all that can fairly be said.

Mr. CHAPLIN: I was not present in the committee when the question of furniture was first brought up. Do the investigations carried on by the minister show that the articles in question were being slaughtered across the line, or that the price at which they were brought into Canada was less than the fair market value?

Mr. EULER: The report has not been received; if it has come in during the last day or so, I have not seen it.

Mr. CHAPLIN: How did the minister come to take the initial step?

Mr. EULER: Complaints were received from Canadian manufacturers of furniture that goods were being slaughtered in Canada. I do not think there is any doubt that in some southern factories great stocks of furniture have accumulated and under the stress of circumstances they attempted to dispose of the goods, and did dispose of them in Canada. That is how the whole matter came about.

Mr. STIRLING: Were they being sold in Canada at a price lower than that charged in the country of origin?

Mr. EULER: That is the complaint which is being investigated.

Mr. BENNETT: They were being sold at the same price in some cities.

Mr. CAMPBELL: Is it not a fact that the officers of the department reported that the American Furniture Company were selling furniture in Canada at the same prices charged in the United States? The minister refused to permit an order of the house to pass stating that the information asked for was confidential. I contend that it is a matter of urgent public importance that those papers should be brought before this house. If my information is correct, those papers in connection with the investigations into the prices of furniture sold by the American furniture companies were in the hands of the department at that time.

Mr. EULER: I think my hon. friend will admit that when that question was asked I stated that the report had not been received, but I said if it had been received that it would not be given to the house because it was the practice of the department not to disclose the business of any private individual. If that practice is to be reversed by the will of this house, I have nothing more to say. That is the practice which has always been followed, and I think it is a good one.

Resolution reported, read the second time, and concurred in. Mr. Dunning thereupon moved for leave to introduce Bill No. 347, for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1931.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

## MAPLE SUGAR INDUSTRY

### CONCURRENCE IN SENATE AMENDMENTS

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 59, respecting the maple sugar industry.

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

## PRIVILEGE—MR. BENNETT

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I rise to a question of privilege. It will be observed that one of the evening papers has displayed in large letters a declaration that a member of the house alleges that his frank has been forged. I thought the hon. member for Antigonish-Guysborough (Mr. Duff) was in his place, but I see I am mistaken. That hon. member made a charge of the most serious character involving his opening a letter which had been placed in his post office box. At my request the envelope in which the letter was enclosed was handed to the clerk. After seeing this letter, the hon. member for Inverness (Mr. Macdougall) was certain that the initials were those of Mr. Finlay MacDonald, the hon. member for South Cape Breton. A few minutes later the hon. member for South Cape Breton entered the house and at once recognized his initials. He then communicated with Your Honour, as it was necessary that he leave immediately in order to catch a train, and stated that his initials "F. MacD" were those appearing on the envelope in question. I had not the slightest difficulty in recognizing the initials.

I desire, speaking only as one member of this house—this is not a question of privilege which attaches to me alone, but one which concerns every hon. member of this house—to place this matter before the house in order that the charge made against one of our members, namely that of forgery, should be met immediately before it can be sent out through the country. It was suggested that the initials of the hon. member for Antigonish-Guysborough had been forged, but there was no difficulty in recognizing them as being the initials of the hon. member for South Cape Breton. This is a question of privilege which does not belong to any individual member of the house; it is a question of privilege which concerns the whole house, and I raise it because it touches the honour of every hon. member. An hon. member asserts on the closing day of the session that he opened the letter under the circumstances. The envelope is placed on the table of the house before the clerk and remains there in order that an opportunity may be afforded for a statement to be made by Your Honour in consequence of the hon. member for South Cape Breton being called away to catch his train.

Mr. SPEAKER: After the incident this afternoon the clerk of the house sent the envelope to me, and I had the pleasure of a visit from Mr. MacDonald. He said in my presence that the initials were his; that it was his own frank, and I have no doubt, after what I have seen and knowing his handwriting, that they were his initials.

## CRIMINAL CODE AMENDMENT

### CONCURRENCE IN SENATE AMENDMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 138, to amend the criminal code.

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

## MESSAGE FROM THE GOVERNOR GENERAL'S SECRETARY

PROROGATION OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following message:

Ottawa, May 30, 1930.

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate chamber at 10.15 p.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, Sir
Your obedient servant,
E. C. Mieville,
Secretary to the Governor General.

## SUSPENSION OF SITTING

EXPRESSION OF CONGRATULATIONS AND GOOD WISHES TO MR. SPEAKER

Right Hon. W. L. MACKENZIE KING (Prime Minister): We have concluded the business of the evening, and this brings to a conclusion, so far as the House of Commons is concerned, the fourth session of the sixteenth parliament of Canada. I would move Mr. Speaker, that the sitting be now suspended until 10.15 o'clock this day.

Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, perhaps it is entirely out of order to make any observations at the moment, but as the Prime Minister has indicated, we are now in the dying hours of the fourth session of the sixteenth parliament. It might not be thought out of place, therefore, if one who sits to your left, sir, should convey to you our thanks, our regards and good wishes for your future. While I believe it is not usual to do so, because in England I understand the office of Speaker continues from parliament to parliament, in view of our constitutional position there is not much likelihood of that happening in this country for a long time, and as representing the opposition or at least one portion of the opposition in parliament it affords me great pleasure to congratulate Mr. Speaker upon the eminent fairness he has shown in the discharge of the difficult duties of his position; his urbanity; his courtesy, characteristic as it is of his race; his willingness and desire at all times to represent faithfully, as the spokesman of the House of Commons, the great traditions embodied in the wealth of lore that has accumulated during the centuries in connection with the high office that he holds.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am pleased indeed that the last word it should be my privilege to utter in this parliament this session should be one of entire accord with my hon. friend the leader of the opposition (Mr. Bennett). He has expressed so eloquently what I believe to be the feeling of all here assembled, that it is unnecessary for me to say more that that we to your right, and indeed, I may speak for all, are in most cordial accord with what has been said about yourself in the discharge of the duties of your high and honourable position. May I add that as we bring to a close the proceedings of another parliament and take our leave, whatever the future may hold in store for him or for us, our best wishes go with the present Speaker of the House of Commons.

Mr. SPEAKER: Mr. Prime Minister, Mr. Bennett, I wish to thank you from the bottom of my heart for your kind words. I have been in the house for thirty-four years. My heart is in this house. From the day I came here I have met friends only. On returning home this evening I can truly say that as Speaker of the Commons I have been actuated by good faith and fairness to all. When I took the Chair in 1922, I resolved that from the moment I stepped into it I should cease to be a partisan. I had been, God knows, a good partisan. I have striven to live up to my promise and I can declare honestly and conscientiously, that in every ruling, in every decision I gave as Speaker of the House of Commons, I have ignored parties and have followed the standing orders, the usages, the customs and traditions of parliament.

In 1926, when for the third time you unanimously reelected me Speaker of the house, I said that every morning as I passed in front of the monument of Alexander Mackenzie, that great Scotch-Canadian and revered Prime Minister of the Dominion from 1874 to 1878,—I would read the beautiful inscription which characterized his life and crystallized his sense of responsibility:

Duty was his law, conscience his ruler.

I have tried to live up to the great teaching that I find in that sentence.

Once more, I thank all parties in the House of Commons for the support they have given me. I have tried to maintain here British parliamentary traditions, and if I have a word of advice to offer to you, my friends, it is that in future, whether you sit on the left or on the right of the Speaker, or there, yonder, you will live up to those traditions. What is taking place in the world to-day shows conclusively that after all those traditions, when deeply rooted in the soil, constitute the best safeguard for justice and Liberty.

Motion agreed to and at 9.30 p.m. the sitting was suspended until 10.15 this day.

The house resumed at 10.15 o'clock.

## PROROGATION OF PARLIAMENT

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, Mr. Speaker with the house went up to the Senate chamber.

In the Senate chamber, His Excellency the Governor General was pleased to give, in His Majesty's name, the royal assent to the following bills:

## BILLS ASSENTED TO

An Act to incorporate The Saint Nicholas Mutual Benefit Association.
An Act to incorporate Estates Trust Company.
An Act for the relief of Nora Kathleen Eayrs.
An Act for the relief of Percy Victor Hobbes.
An Act for the relief of Constance Bertrand Murray.
An Act for the relief of Herbert Vincent Crisp.
An Act for the relief of Elsie May Scott-Peer.
An Act for the relief of Archibald Charles Henry Morris.
An Act for the relief of Lillian Caroline Maud Wood.
An Act for the relief of George Henry Symons.
An Act for the relief of Myrtle Margarette Hilton.
An Act for the relief of Mary Helen Burgess.
An Act for the relief of Cyril Douglas Gordon Stuart Ackerman.
An Act for the relief of Wilfred Gordon Ure.
An Act for the relief of Herman Michael Coleman.
An Act for the relief of Gertrude Ann Elizabeth Griffiths.
An Act for the relief of William Francis Addison.
An Act for the relief of Ella Daisy Griffith.
An Act for the relief of Thomas Edmund Appleyard.
An Act for the relief of Alexander Robb Kennedy.
An Act for the relief of Constance Mary Wright.
An Act for the relief of Charlotte Gertrude Brown.
An Act for the relief of Albert Davis Blagrave.
An Act for the relief of Maud Alice Whipps.
An Act for the relief of May McFarlane.
An Act for the relief of Thomas Brown.
An Act for the relief of Irène Adèle Maria Gregory.
An Act for the relief of George Collier Draper.
An Act for the relief of Dorothy Keen Rupert.
An Act for the relief of Carrie Jane Vardon Coffin.
An Act for the relief of Effie Laberta Corrigan.
An Act for the relief of John Tremblay.
An Act for the relief of Cornelius Taylor Spencer.
An Act for the relief of Ada Emily Harris.
An Act for the relief of Charles Gordon Stanley.
An Act for the relief of Otto Vernon Riepert.
An Act for the relief of Mary Ritchie.
An Act for the relief of Amy Lucinda Jenkins.
An Act for the relief of Mabel Robb Blaiklock.
An Act for the relief of Herbert Nelson Vaughan.
An Act for the relief of Walter Joseph David Penly.
An Act for the relief of Margaret Piton.
An Act for the relief of Harry Jackson Carr.
An Act for the relief of Margaret Malvina Cole.
An Act for the relief of Quartus Bliss Henderson.
An Act for the relief of Mildred Alma McCallum.
An Act for the relief of Mabel Monk.
An Act for the relief of Harry Edward Elvidge.
An Act for the relief of Emily Anderson.
An Act for the relief of Helen Marie Ferguson.
An Act respecting the Capital Stock of The Ottawa Electric Railway Company.
An Act to provide for the regulation of Vehicular Traffic on Dominion property.
An Act respecting the transfer of the Natural Resources of Alberta.
An Act respecting the transfer of the Natural Resources of Manitoba.
An Act to amend the Insurance Act.
An Act respecting the transfer of the Natural Resources of Saskatchewan.
An Act respecting the transfer of the Railway Belt and Peace River Block.
An Act to amend the Excise Act.
An Act respecting Criminal Procedure in Alberta.
An Act respecting the Department of Marine.
An Act to amend the Food and Drugs Act.
An Act respecting the Department of Fisheries.
An Act to provide in the province of Ontario for the dissolution and the annulment of Marriage.
An Act to amend the Winding-up Act.
An Act to amend the Exchequer Court Act.
An Act to amend the Railway Act.
An Act to amend the Salaries Act.
An Act respecting jurisdiction in Proceedings for Divorce.
An Act respecting The Algoma Central and Hudson Bay Railway Company.
An Act respecting The Interprovincial and James Bay Railway Company.
An Act respecting the Highwood Western Railway Company.
An Act to incorporate The Cornwall Bridge Company.
An Act respecting the St. Clair Transit Company.
An Act respecting The Calgary and Fernie Railway Company.
An Act respecting the Confederation Life Association.
An Act to incorporate Consolidated Life Insurance Company of Canada.

An Act to incorporate Consolidated Fire and Casualty Insurance Company.
An Act to amend the Act to incorporate the Inperial Trusts Company of Canada.
An Act to amend the Militia Pension Act.
An Act to amend the Judges Act.
An Act to amend the Biological Board Act.
An Act for the relief of Herbert Chick.
An Act for the relief of Albert Edward Saunders.
An Act for the relief of Marjorie Gladys Picken.
An Act for the relief of Raymond Garbutt Little.
An Act for the relief of Florence Isabell Naughton.
An Act for the relief of Lucy Beryl Marshall.
An Act for the relief of Kathleen Mary Davies.
An Act for the relief of Louis Battaino.
An Act for the relief of Edith May Smith.
An Act for the relief of Eva Verona McColeman.
An Act for the relief of Henry Cutler.
An Act for the relief of Verna Gladys Stannard.
An Act for the relief of Christina McVicars.
An Act for the relief of Vivian Francis Young.
An Act for the relief of Erie Godwin Havens.
An Act for the relief of Ruth Elizabeth Greene.
An Act for the relief of Muriel Palmer.
An Act for the relief of Elizabeth Anderson.
An Act for the relief of Edith Elizabeth Gibson.
An Act for the relief of Margaret Wallace.
An Act for the relief of Mary Ellen Peever.
An Act for the relief of Annie Emily Simpson.
An Act for the relief of Abraham Gleadall.
An Act for the relief of Ann Pisano.
An Act for the relief of Florence Louise Pretoria Pollock.
An Act for the relief of Alma Vera Cochrane.
An Act for the relief of Edith Jane Cartwright.
An Act for the relief of Annie Hewitson Taunton.
An Act for the relief of James Henry Loree.
An Act for the relief of Cecelia Leta Rice.
An Act for the relief of Audrey Lillian Connelly.
An Act for the relief of Robert Webb.
An Act for the relief of Lillian Martha Cecile Martin.
An Act for the relief of Antoine Joseph Bourdon.
An Act for the relief of Irene Clarice Bunting.
An Act for the relief of Lawrence Wellington Robertson.
An Act for the relief of Gordon Robert Foster.
An Act for the relief of Andrew Chauncey Sanders.
An Act for the relief of Isadore Simpson.
An Act for the relief of Royal May Frances Hider.
An Act for the relief of Margaret Caroline Watson.
An Act for the relief of Myrtle Alice Niece.
An Act for the relief of Broadus Baxter Farmer.
An Act for the relief of Meryl Grigg Fizzell.
An Act for the relief of Mabel Anne Dixon.
An Act for the relief of Annie Pettit Nicholls.
An Act for the relief of Thomas William Treadway.
An Act for the relief of Pearl Robena Close.
An Act for the relief of Ivy Lillian Echlin.
An Act for the relief of Thomas Clifton Dawes.
An Act for the relief of Herbert Dean Philip.
An Act for the relief of William Pearson.
An Act for the relief of William Woods.
An Act for the relief of Mary Cameron McMillan.
An Act for the relief of Bridget Gladys Vivian Tegart.
An Act for the relief of Charles Coblens.
An Act for the relief of Esther Gertrude Wooder.
An Act for the relief of Eleanor Jane Moorhead.
An Act for the relief of Aubrey Robert Alce.
An Act for the relief of Edith Lerene Collins.
An Act for the relief of Florence Ada Bark Simpson.
An Act for the relief of Helen Theresa Baker.
An Act for the relief of Harry Everett Markell.
An Act for the relief of George Wellington Garfield Neal.
An Act for the relief of Sarah Delia Baker Tribe.
An Act for the relief of Elsie Emily Disney.
An Act for the relief of Harry Douglas Towers.
An Act for the relief of Elizabeth Warga.
An Act for the relief of William Thomas Raines.
An Act for the relief of Enos Nuttall Davis.
An Act for the relief of Violet May MacFadden.
An Act respecting a certain patent of The R. M. Hollingshead Company.
An Act respecting the Royal Canadian Mounted Police.
An Act to incorporate Pine Hill Divinity Hall.
An Act to amend an Act to incorporate the Canadian Bible Society auxiliary to the British and Foreign Bible Society.
An Act respecting a certain patent of Edgar D. Crump.
An Act respecting a certain patent of George Yates.
An Act to amend The Returned Soldiers' Insurance Act.
An Act to incorporate Industrial Loan and Finance Corporation.
An Act respecting a certain patent application of Thomas Bernard Bourke and George Percival Setter.
An Act respecting a certain patent application of Harry Barrington Bonney.
An Act to amend the Export Act.
An Act respecting National Parks.
An Act to amend the Fish Inspection Act.
An Act respecting War Veterans' Allowances.
An Act respecting Fair Wages and an Eight Hour Day for Labour employed on Public Works of the Dominion of Canada.
An Act for the relief of Mary Ada St. George.
An Act for the relief of Sam Finkelstein.
An Act for the relief of Martha Barker.
An Act for the relief of Janet Ella Pettigrew Thomson.
An Act for the relief of Margaret Jean McClelland Dewar.
An Act for the relief of Ada Margaret Ruddick.

An Act for the relief of Wilhelmina Emily Rudolph.
An Act for the relief of Mabel Orion Baldwin.
An Act for the relief of Antoine George Massabky.
An Act for the relief of Dorothy Agnes Dowling.
An Act for the relief of Arthur Leslie Catton.
An Act for the relief of Ruth Lyford Smith.
An Act for the relief of Rhona Elizabeth Shaw Richardson.
An Act for the relief of Richard Trawny Parsons.
An Act for the relief of Armand Dufour.
An Act for the relief of Jessie Lillian Gwen Richmond-Parry.
An Act for the relief of Christina Dale Kingsbury.
An Act for the relief of Gladys Hollings.
An Act for the relief of Nellie Louise Hughes.
An Act for the relief of Minnie Roberts.
An Act for the relief of Isabella Glennie Lefever.
An Act for the relief of Aileen Somerville Thomas.
An Act for the relief of Harris Charlton Eckmiere.
An Act for the relief of Rhea Blanche Wilson.
An Act for the relief of Edna Wall.
An Act for the relief of Thomas Edwin Warburton.
An Act for the relief of Thomas Garfield McCormick.
An Act for the relief of Thomas Richardson.
An Act for the relief of Leslie Gregory.
An Act for the relief of Muriel Laburnum Christie.
An Act for the relief of Edith Matilda Epplett.
An Act for the relief of Ruth Victoria Spooner.
An Act for the relief of John Henry Coulter.
An Act for the relief of Gertrude Anne Williams.
An Act for the relief of Leonard George Edward Bond.
An Act for the relief of Grant Johnston.
An Act for the relief of Burton Orland Boomhower.
An Act for the relief of Augusto Tranzzi.
An Act for the relief of Claire Yale Lacourse.
An Act for the relief of Marion Frances Blewett.
An Act for the relief of Florence Edna Curliss.
An Act for the relief of Hilda Walker Baker.
An Act for the relief of Mary Violet Baxter.
An Act for the relief of Harry Hutcherson Davis.
An Act for the relief of James Lewis Watterworth.
An Act for the relief of Harvey Mennie Cross.
An Act for the relief of Muriel Parke Wood.
An Act for the relief of Albert Hull.
An Act for the relief of Jessie Coles.
An Act for the relief of Annie Almeda McCormick.
An Act for the relief of Madeline Schnarr Nichol.
An Act for the relief of Phyllis Gertrude Smith.
An Act for the relief of Josephine Laura Calder.
An Act for the relief of Minerva Gray.
An Act for the relief of Mary Jane McCrossan.
An Act for the relief of Robert Bruce Hart.
An Act for the relief of Hetmanska Bereta.
An Act for the relief of Lillian Alberta Sparling.
An Act for the relief of Ebenezer Ward Bussell.
An Act for the relief of Schuyler James Alton.
An Act for the relief of Mary Eva May Gourley.
An Act for the relief of John William James.
An Act for the relief of Elsie Aileen Clarke.
An Act for the relief of Orwell Bishop Walton.
An Act for the relief of Rosie Resnick.
An Act for the relief of Jessie Grant.
An Act for the relief of Ruby Helen Gordon.
An Act for the relief of Mary Isabelle Batstone.
An Act for the relief of Hanorah Margaret Phililemonia Atkinson.
An Act for the relief of Margaret Ann Fyfe.
An Act for the relief of Frederick John Wolfe.
An Act for the relief of Elsie Roselan Maguire.
An Act for the relief of Alice Reta Leadbeatter.
An Act for the relief of Gladys Evelyn Sandford.
An Act for the relief of Ethel May Henderson.
An Act for the relief of Fred Townsley.
An Act for the relief of Arthur Worrell Perkins.
An Act for the relief of Walter Anderson Wood.
An Act for the relief of Clara Delilah Latchford.
An Act for the relief of Cora Beatrice Silk.
An Act for the relief of Joseph Alphonse Lajoie.
An Act for the relief of Gertrude Alice Dorothy Lorimer.
An Act for the relief of Margaret Bradley.
An Act for the relief of Marion Ramsay.
An Act for the relief of Nettie Maud Dixon.
An Act for the relief of Hazel Victoria Watt-Hewson.
An Act for the relief of Hubert Allan Frise.
An Act for the relief of Gladys Elizabeth Kirby.
An Act for the relief of Henry Maynard Smillie.
An Act respecting the capital stock of Prudential Trust Company, Limited.
An Act to incorporate The Hamilton Life Insurance Company.
An Act respecting the Canadian National Railways, and to provide for the refunding of certain maturing financial obligations.
An Act respecting the Canadian National Railways, and to provide for certain financing in connection with certain lines of railway located principally in the State of Vermont.
An Act to amend the Companies Act.
An Act respecting Grain.
An Act to incorporate The Portage la Prairie Mutual Insurance Company.
An Act for the relief of Arthur Cameron.
An Act for the relief of Gertrude Margaret Gilgour.
An Act for the relief of Vera Irene Collins.
An Act for the relief of Lena Hogarth.
An Act for the relief of Isidore Sabbath.
An Act for the relief of Gladys May Carter.
An Act for the relief of Dorothy Stansfield.
An Act for the relief of George Washington Latta.

An Act for the relief of William Henry Wardell.
An Act for the relief of Nellie Carr Weeks.
An Act for the relief of Donald Burwell Ross.
An Act for the relief of Cherry Ray Fletcher.
An Act for the relief of Eleanor Somes.
An Act for the relief of Hazel May Rowland.
An Act for the relief of Reginald Ernest Ball.
An Act for the relief of Marion Elizabeth Gamsby.
An Act for the relief of Ethel Long Nightingale.
An Act for the relief of Winnifred May Cahill.
An Act for the relief of Gertrude Lockhart.
An Act for the relief of Frederick Max Quick.
An Act for the relief of Daniel McQuistan.
An Act for the relief of Anna Ruel.
An Act for the relief of Ethel Adine Ross.
An Act for the relief of Ronald Paterson.
An Act for the relief of Rosanna Christena Jarrett.
An Act for the relief of James Lean.
An Act for the relief of Lyall John MacDonald.
An Act for the relief of Essa Mulant Durry.
An Act for the relief of Esther Eleanor Zryd.
An Act for the relief of Ida Jane Gertrude Rea.
An Act for the relief of Thomas Green.
An Act for the relief of Inez Elizabeth Gross.
An Act for the relief of Viola Turquand.
An Act for the relief of Norville Alberta Gourley.
An Act for the relief of Martha Brown Hemsley.
An Act for the relief of Edward Buker.
An Act for the relief of Herbert Machen.
An Act for the relief of Marjorie Mary Gwendolyn Dempsey Davis.
An Act for the relief of Wilfred Nathaniel Bickle.
An Act to amend the Dominion Elections Act.
An Act to amend the Pension Act.
An Act to amend the Income War Tax Act.
An Act to amend the Special War Revenue Act.
An Act respecting The Toronto Terminals Railway Company.
An Act to place Canadian Coal used in the manufacture of iron or steel on a basis of equality with imported coal.
An Act to amend the Customs Tariff.
An Act respecting a certain patent of Stauntons Limited.
An Act to amend the Soldier Settlement Act.
An Act respecting a certain Convention, signed the 26th day of May, 1930, between His Majesty in respect of Canada and the United States of America, for the preservation and extension of the Sockeye Salmon Fisheries in the Fraser river system.
An Act respecting the Maple Sugar Industry.
An Act to amend the Criminal Code.
An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1930, and the 31st March, 1931.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March 1931.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In his Majesty's name His Excellency the Governor General doth assent to these bills.

Then the Honourable the Speaker of the House of Commons addressed His Excellency the Governor General as follows:

May it please Your Excellency:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons I present to Your Excellency the following bill:

An act for granting to His Majesty certain sums of money for the public service for the financial year ending the 31st March, 1931.

To which bill I humbly request Your Excellency's assent.

To this bill the Clerk of the Senate, by command of His Excellency the Governor General, did thereupon say:

In His Majesty's name, His Excellency the Governor General thanks his loyal subjects, accepts their benevolence, and assents to this bill.

## GOVERNOR GENERAL'S SPEECH

After which His Excellency the Governor General was pleased to close the fourth session of the sixteenth parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing the present session to a close, I desire to congratulate you upon the expedition with which parliament has conducted its proceedings, and upon the extent and importance of the legislative enactments of the session. Matters which have been the subject of long-standing controversy have been successfully adjusted. In several other directions legislation of far-reaching significance has been enacted.

It is a source of particular satisfaction that the public accounts of the fiscal year recently ended again disclose a large surplus and that it has again been possible to effect further material reductions in taxation, as well as a further reduction in the national debt.

Especially gratifying is the fact that, in continuance of the policy of endeavouring to remove all substantial difficulties in the relations between the Dominion and the provinces, a settlement of the long-standing controversies respecting the natural resources of the provinces of Manitoba, Saskatchewan, and Alberta has been effected. The several agreements have received your approval, as well as the approval of the provincial legislatures. Approval has also been given to the agreement reached with the province of British Columbia concerning the restoration to the province of the lands comprising what is known as the railway belt and Peace River block.

The recommendations of the royal commission on maritime claims have been further implemented by the legislation which has been enacted with respect to the coal and iron and steel industries.

Extensive and comprehensive revisions have been made in the customs tariff with a view to bringing certain schedules more into line with modern business requirements, and existing economic conditions. Material and broad exten-

sions have been made in the British Preferential tariff schedules, as well as other adjustments which it is believed will serve to promote a larger measure of reciprocal trade between the component parts of the British Empire and with other countries.

The interest which has been evinced during the session in all matters affecting ex-service men demonstrates once more that Canada stands in the forefront in continued appreciation of her soldier-citizens and their dependents. The legislation providing allowances for veterans who may be unemployable as a result of non-pensionable disabilities, the amended procedure and methods of administration under the Pensions Act, the extension of time to applicants under the Returned Soldiers' Insurance Act, and the more liberal treatment accorded soldier settlers, will bring a much sought for relief to numerous individuals and homes.

The Fair Wages and Eight Hour Day Act gives statutory effect to the fair wages policy which, for some years past, has been observed on construction work under public contract. It provides also for the observance on such work of an eight hour day. The benefits of this legislation, both as to wages and hours, have been extended, under government policy, to workmen employed on construction work by the government itself. The principle of the eight hour working day has also been made applicable by the government to employees in the public service.

To aid in the solution of the problem of seasonal unemployment, provision has been made for holding at an early date a conference of Dominion and provincial governments, of representatives of municipalities, of transportation companies, and of industrial and labour associations, to consider methods of cooperation in furthering continuous employment throughout Canada during the winter months.

A federal-provincial conference for the purpose of furthering cooperation between the Dominion government and the governments of the several provinces of Canada on matters pertaining to immigration has also been arranged.

The consolidation of the Canada Grain Act in accordance with the recommendations of the standing committee of the House of Commons on agriculture, the provision made for increased storage facilities for grain, as well as the inquiry into the promotion of the live stock industry of Canada for which provision has also been made, should prove of substantial benefit to the agricultural industry.

To ensure the development of the fisheries resources of the Dominion and of the industries based thereon, provision has been made for the appointment of a minister of the crown to preside over a separate Department of Fisheries.

Conventions with the United States for the protection and extension of the sockeye salmon fisheries and for the preservation of the halibut fisheries of the Pacific coast have received approval.

Forward steps in the field of international relations have been taken by the signature of the treaty for Reduction of Naval Armament, by the extension of arbitration through the acceptance of the optional clause, and by the revision of the statute of the Permanent Court of International Justice, all of which measures have received your approval.

Amendments to the Dominion Elections Act have been made which should further ensure fairness and the avoidance of partisanship in the administration of our electoral system.

Among other enactments of the session have been important amendments to the Companies Act, the Export Act, and the Criminal Code.

Members of the House of Commons:

I thank you for the supplies granted for the carrying on of the public services of the Dominion.

Honourable Members of the Senate:

Members of the House of Commons:

In the opinion of my ministers, it is desirable that the judgment of the people upon the questions which now engage public attention should be obtained during the course of the present year. In order to permit of Canada being represented at the Imperial conference and the Imperial economic conference, which open their proceedings in London, on September 30th, and to afford to ministers of the crown as ample an opportunity as may be possible to prepare for the important work of these conferences, it has been deemed advisable that the present parliament should be dissolved without delay, and the day of polling fixed for the earliest date possible after dissolution. I have, accordingly, to announce my intention of causing Parliament to be dissolved immediately following prorogation.

In taking leave of you at this time and under these circumstances, I desire to express the unqualified pleasure which I have derived from my association with you throughout the four sessions of this the sixteenth parliament of Canada. I pray that upon your labours the blessing of Divine Providence may be abundantly bestowed.

This concluded the fourth session of the sixteenth parliament.

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